

**FBIS****DAILY REPORT****CONTENTS***China*

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XINHUA VIEWS U.S., USSR NUCLEAR TEST PROPOSALS

OW101950 Beijing XINHUA in English 1929 GMT 10 Aug 85

["Differences Between Moscow, Washington Mount on Nuke Test Issue (by Tang Xiushan)" -- XINHUA headline]

[Text] Moscow, August 10 (XINHUA) -- The third round of the U.S.-Soviet Geneva arms talks next month has already been cast a shadow as Washington and Moscow each have rejected the proposal concerning nuclear tests offered by the other and accused the other on the matter.

Soviet leader Mikhail Gorbachev announced on July 29 a unilateral ban on nuclear tests from August 6 to January 1, 1985 and called on the United States to follow suit.

The Soviet proposal, which Moscow described as a "new major initiative in limiting the arms race," was turned down by the United States as a propaganda ploy."

Only a few hours earlier, U.S. President Ronald Reagan issued an invitation, which his spokesman said had been conveyed to Gorbachev on Saturday, for Soviet observers to witness an American underground nuclear test in Nevada.

White House spokesman Larry Speakes said at the news briefing that day that the U.S. offer was "a unilateral step that clearly demonstrates the U.S. intention to go the extra mile" in breaking the deadlock in the disarmament talks.

But the invitation was equally rejected by Moscow which termed it as a U.S. bid to divert world attention from U.S. reluctance to reach agreement on disarmament.

In a front-paged editorial published by the Soviet leading paper PRAVDA today, Moscow again lashed out at Washington's invitation, saying that Soviet presence at Nevada would give Moscow's blessing to Washington.

Observers here said that if the Soviets agreed to observe the Nevada test, it would mean they allow the United States to continue its nuclear tests and permit Americans to observe Soviet nuclear tests.

The Soviets categorically refuse to invite Americans to monitor their nuclear testing for fear of letting out their military know-hows.

PRAVDA said that the U.S. space defense initiative program involves the X-ray laser that could be only available through nuclear tests.

"Obviously, the ban on all nuclear explosions will make the Pentagon plan in big question," it said.

President Reagan gave a "final answer" at Monday's mini press conference to the Soviet five-month freeze on nuclear testing, by saying that the Soviets are ahead of the United States in improving the nuclear weapons.

"They have just finished their tests ..." "and we have not yet begun the testing and certainly haven't completed it in some of our weapons of that same type to keep pace with them," he said.

U.S. Secretary of State George Shultz declared that halting U.S. nuclear tests under present situation is not in the American interests.

The two superpowers rejected each other's proposal so quickly because each is clear about the other's real intention.



It was noticed that their proposals were made to coincide the Helsinki meeting marking the 10th anniversary of the Helsinki Final Act on East-West detente at which Shultz and new Soviet Foreign Minister Eduard Shevardnadze met for the first time.

After the second round of the Soviet-U.S. Geneva talks ended in mid-July, the two superpowers intensified accusations against each other, each blaming the other for lack of sincerity in the arms control talks.

Their recent postures on the nuclear test issue and their great differences on the development of space weapons herald little hope for a breakthrough for the forthcoming third round of Geneva talks scheduled for mid-September.

#### U.S., USSR WORK OUT PRELIMINARY SUMMIT AGENDA

OW120310 Beijing XINHUA in English 0251 GMT 12 Aug 85

[Text] Washington, August 11 (XINHUA) -- A preliminary agenda has been worked out for the November summit meeting between U.S. President Ronald Reagan and Soviet leader Mikhail Gorbachev, the White House said today.

White House spokesman Larry Speakes told reporters that the main topics for the Geneva summit will be arms control, bilateral relations, regional issues and human rights.

U.S. Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze had worked out the agenda framework for the Reagan-Gorbachev November 19-20 meeting when they met in Helsinki last month.

Speakes said he expects Reagan to begin reviewing summit briefing materials during his vacation at his mountain ranch in California.

Under the preliminary agenda, the first day of the summit will be devoted to a general exchange of views while on the second day the two leaders will discuss the four major topics of arms control, bilateral relations, regional issues and human rights.

#### WU XUEQIAN MEETS UN DISARMAMENT OFFICIAL

OW101238 Beijing XINHUA in English 1149 GMT 10 Aug 85

[Text] Beijing, August 10 (XINHUA) -- Chinese State Councillor and Minister of Foreign Affairs Wu Xueqian met Jan Martenson, United Nations under secretary-general for disarmament affairs, here this afternoon.

Mr. Martenson arrived here today for a week-long visit to China at the invitation of the Foreign Ministry. During his stay in China, the under secretary-general will speak on United Nations and disarmament at a meeting to be sponsored by the United Nations Association of China.

#### PRC TO ATTEND UN DEVELOPMENT CONFERENCE

OW090856 Beijing XINHUA in English 0710 GMT 9 Aug 85

[Text] Beijing, August 9 (XINHUA) -- A Chinese Government delegation led by Li Ke, representative of the minister of foreign economic relations and trade, will attend the first session of the conference of the United Nations Industrial Development Organization (UNIDO), in Vienna which is to open August 12.

The meeting will elect members to the UNIDO Industrial Development Board and Program and Budget Committee and name its director-general.

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PRC INTERNATIONAL AFFAIRS  
GENERAL

UN UNDER SECRETARY GENERAL ENDS PRC VISIT

OW090854 Beijing XINHUA in English 0846 GMT 9 Aug 85

[Text] Beijing, August 9 (XINHUA) -- United Nations Under Secretary-General Patricio Ruedas and his wife left Beijing today after a week-long visit to China. Zhu Quizhen, vice minister of foreign affairs, met and feted the couple yesterday. During their stay in China, the guests went sight-seeing in Beijing and Xian and visited the UN training course at the Beijing Foreign Language Institute.

LI PENG CONVEYS DENG REMARKS ON FIFA TOURNAMENT

OW111750 Beijing XINHUA in English 1731 GMT 11 Aug 85

[Text] Beijing, August 11 (XINHUA) -- President Joao Havelange and other FIFA [Federation Internationale de Football Association] leaders are far-sighted and it's an excellent idea to initiate the FIFA U-16 world tournament with a view to promoting football among the youngsters, said Deng Xiaoping, chairman of the Central Advisory Commission of the Chinese Communist Party.

His remarks were conveyed by Li Peng, vice premier of the State Council, tonight to Joao Havelange, president of the international football federation, in the Beijing Workers' Stadium.

Deng Xiaoping said: "I have watched the live telecasts of some of the matches during the FIFA U-16 world tournament for the Kodak Cup. I found that all teams made good showings both in technique and sportsmanship. They played with great vitality, they are the hope of world football. The Chinese team also played well. To raise China's football standard, we must pay attention to the training of players from among the children.

"The FIFA had the present world tournament staged in China. This has been an encouragement and help to us, for which I'd like to express my thanks to you all."

After conveying Deng Xiaoping's remarks, Li Peng said Premier Zhao Ziyang also watched matches during the tournament and asked him to convey the premier's good wishes to the FIFA president.

Li Peng said, we, Chinese Government leaders and the people, especially the young people, feel very happy that the FIFA has entrusted China to stage the world tournament. We thank President Havelange and FIFA for their support and trust to China.

Havelange said: "I should thank China for the outstanding work it has done for the tournament. If China holds soccer tournaments like this in the future, I am sure I will come here again.

"I will bring back the friendship of the government and the people of China when I leave here tomorrow. We, the international football circles, wish soccer in China still bigger progress," the president said.

Li, Officials Attend Finale

OW110229 Beijing XINHUA Domestic Service in Chinese 1728 GMT 11 Aug 85

[Excerpts] Beijing, 11 Aug (XINHUA) -- The Kodak Cup U-16 world soccer tournament, which symbolizes friendship and success, ended this evening at 2120 amid warm applause from 80,000 spectators at the Beijing Workers Stadium. The Nigerian team won the Kodak Cup title in the final today by beating the hopeful FRG team 2-0.

Vice Premier Li Peng, Huang Hua, Cheng Zihua, and Wang Zhaoguo accompanied President Joao Havelange and other FIFA officials to the final competition.

SPEAKER NOTES PRC PROGRESS AT FUTURIST CONFERENCE

OW091236 Beijing XINHUA in English 1222 GMT 9 Aug 85

[Text] Washington, August 8 (XINHUA) -- Over 200 futurists, economists, planners and researchers, mostly from the U.S., gathered here today at the opening annual meeting of the World Future Society, a non-profit organization that focuses on long-term forecasting.

The conference, which will end tomorrow afternoon, centers on the topic: "The Global Economy: Today, Tomorrow, and the Transition." It will virtually touch various issues from trade problems to changes in population, environment and institutional relationships.

Asked to give an impromptu speech at a panel gathering on Third World development issues, co-founder of the World Future Society Frank Feather of Canada talked about the changes he saw in China. He praised the systematic and energetic way in which the Chinese Government and people are trying to modernize their country and criticised the American press for making a fuss about the abortion issue. He said he thought the Chinese people know better in having one child per family.

Joel Kurtzman, an editor with the DEVELOPMENT FORUM, said that it is not the developed world, but the Third World, that has led the world growth. "However, the Third World countries used to pay attention to mega-projects during the 1950s and 60s, then during the 70s to smaller projects such as urban reform." In both cases, agriculture was ignored and some traditional agricultural exporting countries even become food importers. He believed this is a mistake that must be corrected.

In her speech at today's working luncheon, World Bank Vice President Anne O. Krueger stressed the global economic interdependence that characterizes the current international debt problems and the uneasy position of the U.S. dollar.

She said as long as the U.S. dollar remains at the current level, "there will be downward pressure on the tradeable sector of the U.S. economy and more international protectionism."

She also pointed out that although the new information technologies will be "the economic wave of the future," "without a large international market, gains from information technologies will be much smaller than they would be with a truly global economy."

On a different topic, Lester Brown, president of Worldwatch Institute, declared that "Africa will be the most serious test of international efforts to deal with ecological deterioration driven by policy deficiencies". He was referring to the economic decline following deforestation and some other ecological damages.

Abdelmalek Cherkaoui, a government official of Morocco, said in his speech that economic development cannot be measured only by figures of gross national product, or GNP. He argued that there must be other measurements of satisfaction, such as spiritual and moral ones.

Richard Gardner, former U.S. ambassador to Italy and now with Columbia University, said the U.S. "is going into debt at a faster pace than any nation in history and is placing a mortgage on the lives of future generations." He predicted that the U.S. will have a national debt of almost one trillion dollars by the year 1990.

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CONGRESSIONAL TRADE DELEGATION BEGINS PRC VISIT

Arrives in Beijing

OW080916 Beijing XINHUA in English 0906 GMT 8 Aug 85

[Text] Beijing, August 8 (XINHUA) -- A delegation from the Trade Subcommittee of the Ways and Means Committee of the House of Representatives of the United States led by Subcommittee Chairman Sam Gibbons arrived here today on a visit to China at the invitation of the Financial and Economic Committee of the Chinese National People's Congress (NPC).

Among those greeting the delegation at the airport were Ye Lin, NPC Standing Committee member and vice-chairman of the NPC Financial and Economic Committee; and Herbert E. Horowitz, interim charge d'affaires of the U.S. Embassy here.

Wang Renzhong Meets Gibbons

OW091631 Beijing XINHUA in English 1617 GMT 9 Aug 85

["Textile Trade Problem Can Be Solved -- U.S. Official" -- XINHUA headline]

[Text] Beijing, August 9 (XINHUA) -- National People's Congress Standing Committee Vice-Chairman Wang Renzhong met a delegation from the U.S. House of Representatives Ways and Means Committee Trade Subcommittee here tonight. The delegation is being led by Sam Gibbons, chairman of the subcommittee.

During a friendly and frank conversation, Wang and Gibbons reviewed the achievements of economic, trade and technological co-operation between China and the U.S. over the past few years. They also talked about the bill proposing restrictions on textile imports to the U.S., which is being discussed by the U.S. Congress.

Wang, who is also NPC Financial and Economic Committee chairman, said that textile products made up a very large proportion of China's total export volume. He hoped China's textile exports to the U.S. would not be restricted.

Gibbons said he was optimistic about the prospects of trade relations between the two countries. He believed a solution to the textile trade problem could be found.

The meeting was followed by a banquet for the U.S. delegation given by the NPC Financial and Economic Committee.

At the banquet, Wang mentioned the huge and long-standing trade deficit China had with the U.S., warning that threatened protectionism could push this even higher. He hoped that Sino-U.S. economic, trade and technological co-operation could by removing certain "artificial obstacles" grow smoothly on the basis of equality and mutual benefit.

In reply, Gibbons said the aim of expanding trade was to strengthen friendship and peace. He believed solutions to the problems affecting Sino-U.S. trade relations could be worked out.

Tian Jiyun Meets Trade Group

OW101224 Beijing XINHUA in English 1201 GMT 10 Aug 85

[Text] Beijing, August 10 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met a delegation from the Trade Subcommittee of the Ways and Means Committee of the United States House of Representatives led by Subcommittee Chairman Sam Gibbons here today. Both Tian and Gibbons expressed the hope that Sino-U.S. economic, trade and technological cooperation would grow.

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UNITED STATES

Gibbons and his party are scheduled to tour Shenzhen and Guangzhou before returning home.

ASEAN ENVOYS TO QUERY CONGRESSMEN ON JENKINS BILL

OW090922 Beijing XINHUA in English 0903 GMT 9 Aug 85

[Text] Bangkok, August 9 (XINHUA) -- ASEAN ambassadors to Thailand will confer with the U.S. Congress delegation due here on August 17 on the pending Jenkins bill, which seeks to limit textile imports into the United States: the local newspaper BANGKOK POST reported today. ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

The ASEAN envoys are expected to lobby against the proposed U.S. protectionist legislation, which reportedly will cut Thailand's textile exports to the U.S. from 8,600 million baht (318 million U.S. dollars) to 3,000 million baht (111 million U.S. dollars).

Meanwhile, a memorandum drawn up by Thailand's private and public sectors is to be submitted to the U.S. House of Representatives. The memorandum points out the risk to Thailand's political stability if the Jenkins bill is passed. It was reported that the Thai textile and garment industry employed no less than 500,000 workers and was the source of income for millions of people.

ZHANG AIPING MEETS FORMER DEFENSE UNDER SECRETARY

OW101214 Beijing XINHUA in English 1151 GMT 10 Aug 85

[Text] Beijing, August 10 (XINHUA) -- State Councillor and Minister of National Defense Zhang Aiping met with Robert W. Komer, former U.S. under secretary of defense, and his wife in the Great Hall of the People here this afternoon. Zhang welcomed Mr. and Mrs. Komer to China. Komer presented Zhang with his newly written book "Maritime Strategy or Coalition Defense?". Mr. and Mrs. Komer arrived here on August 8 at the invitation of the Beijing Institute for International Strategic Studies.

JOINT GLASS-MAKING VENTURE SIGNED WITH CORNING

OW081837 Beijing XINHUA in English 1830 GMT 8 Aug 85

[Text] Hong Kong, August 8 (XINHUA) -- A contract was signed in Shanghai on Monday to set up a joint-venture company there to transfer U.S. glass-making technology to China and other countries. The company will be jointly run by U.S. Corning Glass works, the Shanghai special electronic equipment factory and the China United Trading Corporation, which is stationed in New York, a Corning Glass official said here today.

Corning will have a 50 percent stake in the joint venture, the Shanghai factory 40 percent and the Chinese corporation 10 percent.

In 1980, Corning signed a contract with Shanghai's Instrumentation and Electronics Industry Bureau to help the city build a black-and-white TV tube factory. Last year, it agreed to transfer fluorescent lamp glass technology to another Shanghai factory.

The official said his company believed there was a great potential market in China, and was seeking other joint-venture possibilities in the country.

U.S. LAW STUDY COURSE CONCLUDES IN JILIN

OW101534 Beijing XINHUA in English 1524 GMT 10 Aug 85

[Text] Changchun, August 10 (XINHUA) -- A one-month course on United States law ended in this Jilin provincial capital on Friday.

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Fifty-eight students from all over China, who took part in the summer program received course certificates at the closing ceremony.

The course, sponsored by the Chinese Government and the Ford Foundation of the U.S., was part of an exchange program organized by China's State Education Commission, the Chinese Justice Ministry and the U.S.-China Law Education Exchange Committee.

Five U.S. legal experts gave lectures, including Walter Gellhorn, professor emeritus of Columbia University, New York.

Subjects taught included legal methods, civil procedure, constitutional law, international business transactions, controls over public officers and agencies and current constitutional issues.

During their stay, the U.S. lecturers visited Changchun jail and spoke with prisoners. They praised the prison management there.

#### XINHUA SEEKS U.S. ENTRIES FOR BUSINESS DIRECTORY

OW100807 Beijing XINHUA in English 0711 GMT 10 Aug 85

[Text] Beijing, August 10 (XINHUA) -- Xinhua Publishing House, an affiliate of China's official XINHUA NEWS AGENCY, is now soliciting entries of U.S. businesses for inclusion in a world business directory designed to help promote trade and economic cooperation between China and foreign countries.

The "World Directory of Industry and Commerce -- 1986," the first authoritative and comprehensive business reference book in China, will be printed in Hong Kong and distributed across the country by December. It will give foreign businesses an opportunity to offer a market-place with more than one billion people and the latest information on their commodities, technological know-how and services.

Besides company listings, logos and space advertisements are also available in the directory. The deadline for placing orders is set for Sept. 30.

The work on a separate Japan edition including more than 1,100 firms has been completed and will be published in the fall, while more than 600 entries have been received for the American and West Europe edition, which is scheduled for December.

Separate America and Germany editions are under consideration, depending on the number of entries to be received.

Xinhua Publishing House will distribute the business index books through a chain of branch offices throughout China, and more than 750,000 Chinese firms are expected to consult this Chinese-language business directory.

All enquiries are invited to be addressed to: Xinhua Publishing House, "World Directory," 57 Wuanwumen Xidajie, Beijing, People's Republic of China (telex 22316 XNABJ CN)



LIAOWANG ON VISIT TO SOVIET UNION BY YAO YILIN

HK110239 Beijing LIAOWANG in Chinese No 30, 29 Jul 85 p 27

[Special dispatch from Moscow by LIAOWANG contributing reporter Shen Yiming: "Vice Premier Yao Yilin Visits the Soviet Union"]

[Text] At the invitation of the Soviet Government, Vice Premier Yao Yilin of the PRC State Council visited the Soviet Union. His 8-day visit concluded on 16 July. This has been the first visit by a senior Chinese leader to the Soviet Union in the 20 years. In addition, this has been another meeting between the leaders of the two governments since First Deputy Chairman Arkhipov of the USSR Council of Ministers visited China in December. The visit was a major event in Sino-Soviet relations. Thus, it drew attention from all over the world.

During his visit to the Soviet Union, Yao Yilin exchanged views with Arkhipov on developing Sino-Soviet trade and economic relations and on other matters of interest to both sides. In addition, Yao Yilin also met with Chairman Tikhonov of the USSR Council of Ministers. The contacts between the leaders of the two countries can help them to have a better understanding of each other's stands.

The visit was a fruitful one. During the visit, the two sides signed a 5-year trade agreement, the first Sino-Soviet long-term trade agreement. According to this agreement, China is to supply mineral products, soya beans, corn, pork, cotton cloth, and light industrial products to the Soviet Union. Between 1986 and 1990, that is, the 5 years in which the agreement will be in force, the total volume of the trade between the two countries will reach 35 billion Swiss francs, an increase of 250 percent over the past 5 years.

According to an agreement on industrial construction and transformation in China, the two sides are to cooperate by supplying technical information and facilities to each other and by exchanging designs, experts, and technical personnel.

The signing of these two documents has great significance for the stable, long-term development of the trade and economic relations between the two countries.

During the visit, Yao Yilin and Arkhipov also reached an agreement on the specific problems related to the development of Sino-Soviet trade and economic relations and agreed that the first meeting of the committee for trade and economic and technical cooperation between the two countries should be held in Beijing in the first half of next year. An agreement was reached on the formation of this committee in December last year, when Arkhipov visited China.

The signing of the above two agreements and the agreement reached on the specific problems related to the development of Sino-Soviet trade and economic relations indicate that, on the basis of the three agreements signed last year on economic, scientific, and technical cooperation, there has been further progress in the development of Sino-Soviet trade and economic relations. All this is a result of the joint efforts made by the two countries. The rather rapid development of Sino-Soviet trade and economic relations is a piece of heartening news because it can contribute to the cause of the normalization of Sino-Soviet relations.

In the past 2 years, both sides have done something to improve Sino-Soviet relations. However, there is much to do and our task is formidable. In economic cooperation, the two countries have yet to tap their own potential. In addition, there are also political difficulties to be surmounted. As pointed out by Yao Yilin during his visit to the Soviet Union, the three obstacles to the political relations between the two countries are still present. He sincerely hoped that the Soviet Union would do something to remove the obstacles.

At the meetings, the Soviet Union indicated its desire to improve Sino-Soviet relations and reiterated the Soviet Governments' stand on some current international issues and the issue of the normalization of Sino-Soviet relations.

During his stay, Yao Yilin visited some factories, farms, and scientific research units in Moscow, Kiev, and Novosibirsk, met with the leaders of some republics and larger towns, and tried to acquire an idea of the labor invested by the people of the Soviet Union in socialist construction and of their achievements in it. Doubtless, this would enhance the friendship and mutual understanding between the peoples of the two countries. In all the places they visited, the Chinese guests were warmly received by their hosts. Yao Yilin relayed to them the Chinese people's sincere affection for them.

The years of estrangement in Sino-Soviet relations are now over. In recent years, as a result of long efforts made by both sides, there have been positive changes and they have renewed and developed the economic and cultural ties and the ties in the areas of trade, science and technology, sports, and exchange of personnel. So long as both China and the Soviet Union have sincere desires and can translate their desires into action, the problems between the two countries can be solved and Sino-Soviet relations can improve. China enthusiastically advocates the normalization of Sino-Soviet relations on the basis of the Five Principles of Peaceful Coexistence and the resumption of the friendship and good-neighborliness between the two countries. Yao Yilin's visit to the Soviet Union was precisely part of the efforts made by China to attain this goal.

#### JINGJI RIBAO RECALLS SOVIET ASSISTANCE IN WAR

OW091244 Beijing XINHUA in English 1233 GMT 9 Aug 85

[Text] Beijing, August 9 (XINHUA) -- An article in today's ECONOMIC DAILY recalls aid provided to China by the Soviet Union during the war of resistance against Japan (1937-1945). The author, Zhu Guisheng of the Chinese Academy of Social Sciences' History Institute, says that after the Japanese warlords launched all-out war against China on July 7, 1937, the communist parties and people of many foreign countries expressed their sympathy for and gave material aid to the Chinese people.

The Soviet Union, the world's first socialist country, gave China diplomatic, moral and material support in their fight against the Japanese invaders. Between 1938 and 1940, the Soviet Union provided a loan of 450 million U.S. dollars to China to purchase arms. A total of 3,665 Soviet military experts came to China to help train soldiers and the Soviet Army sent 1.74 million troops to northeast China to help wipe out the Japanese invaders and end the war.

China's major newspapers have, since late July, carried articles marking the 40th anniversary of the victories in the war of resistance against Japan and the World War against fascism. More articles are expected through September.



WANG ZHEN, AMITY DELEGATION END JAPAN VISIT

OW101347 Beijing XINHUA in English 1315 GMT 10 Aug 85

[Text] Tokyo, August 10 XINHUA -- The delegation of the China Association for International Friendly Contacts headed by its honorary President Wang Zhen today left here for home after winding up a ten-day visit to Japan.

During its visit, the delegation visited companies and factories in Tokyo, Nagasaki, Kyoto and some other cities and had friendly contacts with people of various circles. The delegation arrived here on August 1 at the invitation of the Asian Exchange Association of Japan.

Wang Zhen, also a member of the Political Bureau of the Chinese Communist Party and the honorary president of the Sino-Japanese Friendship Association, had previously led a Chinese delegation (July 15-26) in Nagasaki for the presentation ceremony of a marble-statue of peace, a gift to Japan from the Sino-Japanese Friendship Association.

Delegation Returns Home

OW101454 Beijing XINHUA in English 1446 GMT 10 Aug 85

[Text] Beijing, August 10 (XINHUA) -- Wang Zhen, member of the Political Bureau of the Chinese Communist Party Central committee and honorary president of the China-Japan Friendship Association, returned to Beijing this evening after a friendly visit to Japan. During his visit, Wang attended the unveiling ceremony of a peace statue donated by China to Nagasaki City.

Wang was greeted at the airport by Vice-Premier Tian Jiyun and China's chief representative Wang Zhaoguo of the 21st Century Committee for China-Japan Friendship, as well as minister of the Japanese Embassy here, Kagechika Matano.

GU MU ENDS VISIT TO SEVERAL JAPANESE CITIES

OW111302 Beijing XINHUA in English 1237 GMT 11 Aug 85

[Text] Tokyo, August 11 (XINHUA) -- Chinese State Councillor Gu Mu ended his visit to Japan today and left here for home. During his stay in Japan, Gu attended the fourth Sino-Japanese ministerial meeting held at the end of last month and visited Gumma Prefecture, Tokyo and Osaka at the invitation of the Japan Association for the Promotion of International Trade.

In Tokyo, the Chinese state councillor gave a speech to people of Japanese economic circles on China's open policy and the Sino-Japanese economic and technological cooperation and had a forum with them on joint venture projects. Gu arrived here on July 29.

Arrives in Beijing

OW111346 Beijing XINHUA in English 1302 GMT 11 Aug 85

[Text] Beijing, August 11 (XINHUA) -- Chinese State Councillor Gu Mu returned here tonight after attending the fourth Sino-Japanese Government members meeting at the head of a Chinese delegation and paying a visit to Japan at the invitation of the Japan Association for the Promotion of International Trade. Members of the Chinese delegation attending the government members meeting have returned here earlier. Gu Mu was met at the airport by State Councillor and Foreign Minister Wu Xueqian and Japanese Ambassador to China Yosuke Nakae.

SIHANOUK CLARIFIES POSITION OF HIS SON IN CGDK

OW090851 Beijing XINHUA in English 0755 GMT 9 Aug 85

[Text] Bangkok, August 9 (XINHUA) -- Norodom Sihanouk's party and its military wing, the Nationalist Sihanoukian Army (ANS), will remain as partners of the Coalition Government of Democratic Kampuchea (CGDK).

This was announced in a note from the office of the personal representative of Samdech Norodom Sihanouk in Kampuchea and Asia to clarify a recent press assertion that Prince Norodom Ranarith, Sihanouk's second son, had threatened to quit the CGDK.

The note said that Ranarith did not occupy any position in the CGDK, so there was no reason to mention his quitting the body.

Ranarith is the personal representative of Samdech Norodom Sihanouk in Kampuchea and Asia and was newly appointed supreme commander of the ANS. These two posts are outside the framework of the CGDK.

The U.N. recognized CGDK is composed of three parties: the National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia (Funcinpec) under Norodom Sihanouk, the Khmer People's National Liberation Front (KPNLF) under Son Sann and the Party of Democratic Kampuchea under Khieu Samphan.

The three parties and their armies act independently, but any important diplomatic move or statement in the name of the CGDK must be approved by the three-member cabinet -- Sihanouk, Khieu Samphan and Son Sann.

If Sihanouk is absent and authorizes Ranarith to represent him, then Ranarith has the right to attend a cabinet meeting on a temporary basis.

XINHUA INTERVIEWS SIHANOUK'S SON ON CGDK SITUATION

OW101619 Beijing XINHUA In English 1433 GMT 10 Aug 85

["Norodom Ranarith on Kampuchea's Situation (by Yang Mu)" -- XINHUA headline]

[Text] Bangkok, August 10 (XINHUA) -- "For the sake of national interest, we cannot allow the Vietnamese to split the Coalition Government of Democratic Kampuchea (CGDK)," Prince Norodom Ranarith, Norodom Sihanouk's second son, said in an exclusive interview with XINHUA here today.

"The only way out for the tripartite coalition is to strengthen its unity," he added.

Ranarith is the personal representative of Samdech Norodom Sihanouk in Kampuchea and Asia as well as supreme commander of the Nationalist Sihanoukian Army (ANS), the military wing of Sihanouk's party.

He said that it was Vietnam's old tactic to sow discord within the CGDK, but it could not succeed. The CGDK, on the contrary, will send more troops into the interior to fight the aggressors, he added.

The prince continued: "Vietnam has always alleged that its troops have completely sealed off the Kampuchean-Thai border and cut off the resistance forces' transportation lines.

"But my experiences frustrated the Vietnamese lies. From July 25 to 28, I, accompanied by high-ranking officers of the ANS Generals Norodom Chakrapong and Toan Chhay, went on foot into Oddor Meanchey Province to inspect the ANS bases and three villages nearby.

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"I received three Western correspondents there. They and we penetrated freely to and fro into our controlled area, 40 kilometers from the Kampuchean-Thai border."

Ranarith declared: "Facts prove that the situation in the interior has developed in favor of the CGDK."

He said: "I inspected the ANS military camps first and met commanders of the ANS summoned by me from the provinces of Siem Reap and Battambang. I felt the moral of our fighters is very high. They are well equipped and in good health.

"Then I proceeded to visit three villages, one of which is inhabited by more than 1,500 people. Their living conditions are not good indeed. So we distributed clothes, medicines and daily necessities to them in the name of Samdech Norodom Sihanouk. All of them remembered Sihanouk well. Two doctors, brought together by me, examined and healed the local patients."

The prince was optimistic about the military situation inside Kampuchea. He said all forces of the three parties joining the CGDK were fighting more efficiently than before.

Ranarith added that the local people voluntarily supplied foods, vegetables and salt to the ANS soldiers, because they loved their country and hoped for the liberation of their territory from the Vietnamese occupationists at an early date.

"The Vietnamese troops, especially those from South Vietnam, are exhausted in fighting. I noticed that a contingent of Heng Samrin's Army is only 6 to 7 kilometers from us, but they didn't attack us. They may have the idea that Kampucheans cannot fight against their compatriots," he said.

Earlier, it was rumored that Ranarith had threatened to quit the CGDK. But a recent note from the office of Sihanouk's personal representative pointed out that since Ranarith did not occupy any position in the CGDK, so there was no reason to mention his quitting the body.

The note said that Ranarith had not quit his office as personal representative of his father or as supreme commander of the ANS.

#### COMMENTARY VIEWS STATE OF EMERGENCY IN PHNOM PENH

BK100354 Beijing International Service in Lao 1230 GMT 7 Aug 85

[Unattributed commentary: "What Does the State of Emergency in Phnom Penh Reflect?"]

[Text] On 29 July 1985, the Heng Samrin administration of Phnom Penh, propped up by Vietnam, declared a state of emergency in Phnom Penh and adopted a series of strict defense measures -- keeping watch on all suspects, strictly checking any person passing in or out, and imposing a night curfew in Phnom Penh.

This has clearly proven that the activities of the Democratic Kampuchean Army in and around Phnom Penh City have made the Vietnamese aggressor troops in Cambodia and the puppet Heng Samrin administration very scared and anxious day and night. Since the tripartite Democratic Kampuchean resistance forces turned to the interior areas in May, the resistance against Vietnam in the interior areas of Cambodia has developed daily.

At present, along with their activities carried out in Siem Reap, Oddar Meanchey, Pursat, and Battambang Provinces, the tripartite Democratic Kampuchean resistance forces have widely stepped up guerrilla warfare in the vicinity of Phnom Penh. They have repeatedly launched heavy attacks against the enemy troops.

Democratic Kampuchea radio reported that on the night of 30 July, the Democratic Kampuchean National Army and guerrillas launched surprise attacks against enemy positions in many cantons and small towns in Kompong Speu Province, some 30 km from Phnom Penh City, destroying the administrative office of a small town and two canton administrative offices of the Vietnamese troops, destroying 10 barracks, and liberating 9 villages.

Earlier, they also launched a surprise attack against a Vietnamese regimental headquarters in that province, killing or wounding more than 70 enemy troops. According to statistics, in Battambang, Kompong Chhnang, Kampot, Pursat, and Kompong Speu Provinces in July, the Democratic Kampuchean National Army and guerrillas destroyed 15 offices at the district, small town, and canton levels and 40 barracks of the Vietnamese troops.

In addition, they destroyed more than 170 points on the railroads linking Phnom Penh and Battambang and linking Battambang and Pursat, thereby causing immense difficulties for the enemy's logistical transportation.

In addition, since the resistance forces led by Prince Sihanouk and Prime Minister Son Sann have turned to the interior areas, attacks have been launched repeatedly against the Vietnamese troops. The resistance forces have repeatedly ambushed, planted mines, cut off transportation routes, and launched surprise attacks against positions of the enemy troops.

As a result of the repeated attacks launched by the tripartite Democratic Kampuchean Armed Forces, the Vietnamese aggressor troops in Cambodia and the Heng Samrin administration have experienced difficulties that increase with each passing day. The recent declaration of the state of emergency in Phnom Penh has clearly proven this fact.

CPPCC DELEGATION BEGINS VISIT TO NEPAL

## Arrives in Katmandu

OW101637 Beijing XINHUA in English 1607 GMT 10 Aug 85

[Text] Katmandu, August 10 (XINHUA) -- A delegation from the National Committee of the Chinese People's Political Consultative Conference (CPPCC) arrived here this afternoon for an eight-day friendly visit to Nepal.

The eight-member delegation led by Pagbalha Geleg Namgya, vice-chairman of the CPPCC National Committee, is here as guest of Anirudra Prasad Singh, chairman of the Standing Committee of the State Council of Nepal.

Deputy delegation leader Peng Youjin told reporters at the airport that the delegation was visiting this country on the occasion of the 30th anniversary of the establishment of diplomatic relations between China and Nepal. He hoped for lasting friendship between the two countries.

During their stay in Nepal, the Chinese guests will meet Nepalese Prime Minister Lokendra Bahadur Chand and Chairman of the Nepalese State Council Standing Committee Anirudra Prasad Singh. They will visit three towns of Katmandu valley.

## Nepal-PRC Ties Praised

OW111831 Beijing XINHUA in English 1818 GMT 11 Aug 85

[Text] Katmandu, August 11 (XINHUA) -- The relations between China and Nepal "are marked by profound goodwill, mutual understanding and harmony based as they are on the Five Principles of Peaceful Coexistence," said Anirudra Prasad Singh, chairman of the Standing Committee of the State Council of Nepal, here this evening.

Speaking at a banquet in honor of a visiting Chinese delegation headed by Pagbalha Geleg Namgya, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), Singh said that "Nepal and China are both committed to the cause of ensuring regional and world peace." "We appreciate the prompt support of your government to our proposition that Nepal be declared a zone of peace," he added.

The chairman also said that since Nepal is engaged in the arduous task of all-round development, "we appreciate the cooperation extended by your great country in building the infrastructure of our national economy." He pointed out: "It gives us satisfaction to note that the areas of cooperation have been broadened with the passage of time."

! Pagbalha Geleg Namgya said at the banquet that since the establishment of diplomatic ties 30 years ago, "exchanges and cooperation in the fields of politics, economy, trade and culture between our two countries have been developed and broadened."

China and Nepal have been enjoying friendly relations for centuries, he said, describing the friendship between the two peoples as "close and trusting."

"Nepal is adhering to a foreign policy of peace, independence and non-alignment, opposing aggression and power politics, safeguarding the aim and the principles of the Nonaligned movement, which have made valuable contributions to the strengthening of the Third World unity and the promotion of South Asian cooperation," he said.

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He also pointed out that at present, the common task facing the two peoples is "to build up our own countries and safeguard world peace." He hoped the CPPCC and the State Council of Nepal would increase contact, deepen mutual understanding and broaden cooperation.

The Chinese delegation arrived here yesterday for an eight-day visit to Nepal.

Deng Yingchao Letter Delivered

OW111347 Beijing XINHUA in English 1314 GMT 11 Aug 85

[Text] Katmandu, August 11 (XINHUA) -- "Nepal and China are very close friends and neighbors," Chairman of the Standing Committee of the State Council of Nepal Anirudra Prasad Singh said here today.

A.P. Singh made the remark while receiving a delegation of the National Committee of the Chinese People's political Consultative Conference (CPPCC) led by Vice-Chairman Pagbalha Geleg Namgya. It is the first CPPCC visit to this Himalayan kingdom.

Singh said there is existing a good relationship of understanding and cooperation between the two countries. "We hope and do our best continuously for developing the friendly relations," he added.

Pagbalha Geleg Namgya conveyed a letter of CPPCC Chairman Deng Yingchao to Singh and invited him to visit China at an appropriate time for him.

The Chinese delegation came here yesterday for an eight-day visit.



LIBYAN FOREIGN MINISTER AL-TURAYKI BEGINS VISIT

## Airport Arrival

OW081634 Beijing XINHUA in English 1617 GMT 8 Aug 85

[Text] Beijing, August 8 (XINHUA) -- 'Ali 'Abd al-Salam al-Turayki, secretary of the People's Committee for Foreign Liaison People's Bureau (foreign minister) of the Socialist People's Libyan Arab Jamahiriya, arrived here tonight on a three-day official visit to China.

Chinese State Councillor and Foreign Minister Wu Xueqian greeted Al-Turayki at the airport. The Libyan foreign minister is visiting China at the invitation of Wu.

## Talks With Wu Xueqian

OW091254 Beijing XINHUA in English 1240 GMT 9 Aug 85

[Text] Beijing, August 9 (XINHUA) -- Chinese State Councillor and Minister of Foreign Affairs Wu Xueqian held talks here today with 'Ali 'Abd al-Salam al-Turayki, secretary of the People's Committee for Foreign Liaison People's Bureau (foreign minister) of the Socialist People's Libyan Arab Jamahiriya.

During the two-hour talks, they exchanged views on matters of common concern and on bilateral relations. They held identical or similar view on some questions under review.

Wu Xueqian reaffirmed Chinese Government's positions on the Middle East question, and urged the Arab countries to close their ranks.

He said that China firmly supports the Palestinian and other Arab people in their just struggle and respects the efforts and choices made by the Arab countries and the Palestine Liberation Organization through full consultation to recover their lost territories and restore the Palestinian people's legitimate rights.

The Libyan foreign minister set forth Libya's positions on the Middle East, African and other international issues. The two foreign ministers shared the view that China and Libya will enhance and develop economic and technical cooperation.

## Wu Hosts Banquet

OW091654 Beijing XINHUA in English 1637 GMT 9 Aug 85

["Libyan Foreign Minister Honored in Beijing" -- XINHUA headline]

[Text] Beijing, August 9 (XINHUA) -- Chinese Foreign Minister Wu Xueqian tonight expressed his sound belief that China and Libya could strengthen their friendly relations and widen their areas of co-operation.

State Councillor and Foreign Minister Wu was speaking at a welcoming banquet here for 'Ali 'Abd al-Salam al-Turayki, the Libyan Foreign Liaison People's Bureau committee secretary. China's established policy was to develop friendly relations actively between the two countries, said Wu.

Since Colonel Mu'ammarr al-Qadhafi, leader of Libya, visited China in 1982, in the political, economic, trade and cultural bilateral relations and co-operation had progressed well.

Wu said Al-Turayki's visit would, promote mutual understanding, trust and co-operation between the countries.

He stressed that China firmly supported the just struggles of the Arab and Palestinian peoples to recover their lost lands and restore their national rights, and the struggle of Asian and African people against imperialism, colonialism, racism and outside aggression.

Al-Turayki also expressed satisfaction over the recent development of friendly relations and co-operation between China and Libya.

He pointed out that to develop and strengthen bilateral co-operation was also the established policy of his country. The expansion of such co-operation was beneficial to both countries.

He said Libya backed a policy of nonalignment and the fight against imperialism colonialism and racism, and supported the Palestinian and Arab peoples' just struggle against the aggression and expansion of Israel.

The Third World should resist control and exploitation by industrialized countries, and should join in common efforts to bring about South-South co-operation and the establishment of a new international economic order, he said.

Meets Zhao Ziyang

OW101712 Beijing XINHUA in English 1651 GMT 10 Aug 85

["Chinese Premier Calls For Third World Unity" -- XINHUA headline"]

[Text] Beidaihe, August 10 (XINHUA) -- Premier Zhao Ziyang today called on Third World countries to unite to protect their rights and interests. He said a just solution to the Middle East troubles depended on the unity of the Arab countries.

Zhao was speaking at a meeting with 'Ali 'Abd al-Salam al-Turayki, the Libyan Foreign Liaison People's Bureau committee secretary (foreign minister) at the Hebei Province seaside resort of Beidaihe.

The premier said the superpowers had been taking advantage of conflicts and discord in the Third World to advance their policy of expansion, contention and infiltration.

Third World countries should seek common ground while reserving differences. This would enable them to overcome the meddling and intervention by superpowers, and to solve their problems patiently and peacefully.

During the meeting, Zhao and Al-Turayki exchanged views on international issues and further development of bilateral relations.

Zhao expressed satisfaction with the recent development of Sino-Libyan friendly relations and co-operation. He said China had always attached great importance to developing relations with Libya.

The two countries belonged to the Third World, conducted an independent foreign policy and supported the strengthening of South-South co-operation.

He praised Libyan leader Mu'ammar al-Qadhafi for steering his country towards a policy of nonalignment and for supporting the struggle of the Palestinian people.

Al-Turayki said a main goal of Libya's foreign policy was to promote Arab unity. Without such unity, the Arab peoples would neither achieve common development nor win the struggle against their common enemy. He said Libya was keen to strengthen friendly relations with China. Zhao also briefed Al-Turayki on China's policy of opening to the outside world.



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Signs Cultural Agreement

OW111313 Beijing XINHUA in English 1304 GMT 11 Aug 85

[Text] Beijing, August 11 (XINHUA) -- An agreement on cultural cooperation between China and Libya, the first of its kind between the two countries, was signed here today.

Chinese State Councillor and Foreign Minister Wu Xueqian and Secretary of the People's Committee for Foreign Liaison People's Bureau (foreign minister) of Libya 'Ali 'Abd Al-Salam al-Turayki signed the agreement.

Dr. al-Turayki and his party left here for home this evening after a three-day China trip.

CPC MOROCCAN SOCIALIST PARTY RESUME RELATIONS

OW101254 Beijing XINHUA in English 1236 GMT 10 Aug 85

[Text] Beijing, August 10 (XINHUA) -- The Communist Party of China (CPC) and the Socialist and Progress Party of Morocco today agreed to resume bilateral ties after 20 years' interruption.

The decision was made at a meeting between the CPC General Secretary Hu Yaobang and his Moroccan counterpart Ali Yata and his party here this afternoon,

Hu reiterated that the Chinese Communist Party establishes and develops its relations with other parties in foreign countries in conformity with the principles of independence, complete equality, mutual respect and non-interference in each other's affairs

The CPC regards these principles as part of its discipline, Hu added.

Yata expressed his gratification over the resumption of the relations between the two parties.

Hu said he was also glad to see the recent development of the good relations between the Chinese and Moroccan Governments.

Yata noted that it is the common wish of the two peoples to strengthen Sino-Moroccan friendship. The Moroccan party will make further efforts to promote the friendship and cooperation between the two parties and the two countries, he said.

Present at the meeting was Qian Liren, head of the International Liaison Department of the CPC Central Committee.

TRINIDAD, TOBAGO'S CHAMBERS RETURNS FROM TOUR

OW100322 Beijing XINHUA in English 0251 GMT 10 Aug 85

[Text] Bridgetown, Barbados, August 9 (XINHUA) -- Trinidad and Tobago Prime Minister George Chambers said last night that his visit to the United Kingdom and the Far East countries could lead to more foreign investment in the country, according to reports reaching here. He said this upon his return to Port-of-Spain after a one-month tour of Britain, China, South Korea, Japan, India and Austria.

Wendell Mottley, industry and commerce minister who accompanied the prime minister on the visit, told reporters that deepening economic relations with the Far East is "absolutely vital" to Trinidad's new thrust of becoming more outward-oriented for increasing trade and seeking investment.

BOLIVIAN FOREIGN MINISTER MEETS PRC SPECIAL ENVOY

OW091246 Beijing XINHUA in English 1231 GMT 9 Aug 85

[Text] Lima, August 8 (XINHUA) -- New Bolivian Foreign Minister Gaston Arauz Levy met Chinese special envoy Hu Hongfan here today, according to reports from La Paz, capital of Bolivia.

They exchanged views on the prospects of their two countries' relations. Hu conveyed Chinese Foreign Minister Wu Xuequian's congratulations to Arauz, who in return asked the envoy to convey greetings to his Chinese counterpart.

Earlier Hu Hongfan had called on new Bolivian President Victor Paz Estenssoro and former President Hernan Siles Zuazo. Hu arrived in La Paz on August 4 to attend the new President's inauguration. He left here this afternoon.

VENEZUELAN FOREIGN MINISTER MEETS PRC REPORTERS

OW312219 Beijing XINHUA in English 1917 GMT 31 Jul 85

[Text] Caracas, July 30 (XINHUA) -- The Contadora Group holds that the solution to the Central American problem needs the attention of all Central American countries, Venezuelan Foreign Minister Simon Consalvi said here today. Consalvi made the remarks when he met with a Chinese journalist delegation, headed by Lu Si, a member of the Presidium of All China Journalists' Association and editor-in-chief of the TIANJIN DAILY.

Consalvi said that Central American countries should reach an agreement on the peace treaty drafted by the Contadora Group. Some items on security in the draft treaty have yet to be adopted by Central American countries. To this end vice foreign ministers of the four Contadora countries will soon visit the five Central American countries, he said.

On the possibility of a U.S. invasion of Nicaragua, Consalvi said that he could not speak on behalf of the United States and he didn't know what would happen. He said that Venezuela hopes that the sovereignty of the Central American countries will be respected and that all countries understand the serious consequences of a war in the region.

On the relationship between Venezuela and China, the minister said that relations between the two countries have developed markedly since the diplomatic ties were established in 1974. He said that the exchange of visits by leaders of the two countries are very important to the strengthening of bilateral relations. The forthcoming visit by Chinese Premier Zhao Ziyang to Venezuela is a good change to further develop the bilateral relationship. Venezuela is looking forward to his visit, he added. The Chinese delegation arrived here on July 28.

HU YAOBANG ON MATURING OF YOUNG INTELLECTUALS

OW112246 Beijing XINHUA Domestic Service in Chinese 1234 GMT 11 Aug 85

[11 August speech by Hu Yaobang at the send-off meeting for comrades of a lecture group formed by departments under the CPC Central Committee and state organs for training primary and middle school teachers: "The Road for the Maturing of Today's Young Intellectuals"]

[Text] Beijing, 11 Aug (XINHUA) -- Comrades: Today the State Education Commission, the party committee of organs under the CPC Central Committee, and the party committee of central state organs are holding this grand meeting here to bid farewell to 3,250 comrades from various departments under the CPC Central Committee and various state organs, who are going to 22 provinces to help train primary and middle school teachers. I have come to attend this meeting to give you comrades a warm send-off on behalf of the CPC Central Committee, the State Council, and Comrades Xiaoping, Chen Yun, Xiannian, and Ziyang!

As you know, the decision made by the central authorities on educational reform involves a major policy decision, and that is to popularize 9-year compulsory education within a relatively short period. Here we encounter an urgent and acute problem, namely, the serious shortage of primary and middle school teachers and their low level of professional quality. What shall we do? The decision of the central authorities has proposed a series of measures, one of which is to mobilize and organize some qualified cadres of party and government organs to go to various places to take part in the work of training primary and middle school teachers. This will not only better solve the problem of primary and middle schools teachers, but will also prompt party committees and governments at all levels to attach importance to education and push people of all trades and professions to support education. This, of course, is correct; it is a very good thing.

Since the decision was made by the central authorities, we should do our best to put it into practice. In particular, departments under the CPC Central Committee and state organs should play a leading role in doing this. The original plan was for 3,000 people to be dispatched from the departments under the CPC Central Committee and state organs. Since May, a large number of applications has been received, and as a result, in less than 3 months the plan was overfulfilled. Among the present 3,250 comrades, the vast majority are party and CYL members, and most are young comrades. This indicates that when a decision of the central authorities is made known to the public, the vast number of cadres, party and CYL members, and young comrades are able to respond resolutely. It also shows that every major policy decision made by the central authorities now is based on the people's immediate and long-term interests, and as long as the vast numbers of cadres and party and CYL members fully understand and resolutely implement these policy decisions, all our major tasks can be fulfilled.

With great enthusiasm, you have volunteered to go to work posts which seem ordinary and not noteworthy on the surface, but which are of great far-reaching significance in reality. Unlike those who use the excuse of "the flow of personnel," trying to "flow" to comfortable places, big cities, and high-level organizations, you are going, on your own initiative, to places where conditions are more difficult but your services are needed more urgently. In so doing, you have taken a good lead and started a good trend! Your exemplary action will be a glorious record in the history of educational reform in our country. It is the opinion of the central authorities that your spirit and actions are worthy of praise.

You comrades are going to various places. To a great extent, this may be described as going down from high-level organs to grass-roots units, going into the midst of the masses, and going to real work. This makes me think of the question of how to enable China's young intellectuals of today to mature in a still better way.

As you know, comrades at the central level have said on more than one occasion that there are three general steps to be taken in the next several decades to realize the goal of China's socialist modernization program. The first step is to quadruple the gross annual value of industrial and agricultural production by the end of this century so that we will be "comparatively well off" by that time. The second step is to attain the level of a medium-developed country by the third decade of the next century, or the year 2021, that is, the centennial of the founding of our party. The third step is to build our motherland into a modernized and powerful socialist state with highly developed socialist material and spiritual civilizations -- one of the first-class prosperous, rich, and strong countries in the world -- by the middle of the next century, or the year 2049, that is, the centennial of the founding of our country. We must adhere to the four basic principles and never forget the lofty ideals of communism, which are entirely integrated with the goals to be achieved in these three steps within the next few decades. We old people can only embark on the first step and perhaps cannot complete it. However, our young comrades, including most of the comrades who are here today, should not only complete the first step but also take the second step and continue to work up to the third or fourth decade of the next century. For this reason, if China's young generation of intellectuals is to mature still better, in my opinion, the first important thing they should do is to be adept at closely linking their lofty communist ideals with the goals of their practical work and do their jobs in a down-to-earth way.

It is no easy task to build our country into a powerful socialist state within only a few decades. This task requires three generations of our people to exert great efforts and energy, do painstaking labor, and overcome immense difficulties. The starting point, and ultimate goal, of our party and state policies is to make our country rich and strong and our people well-to-do. It is by no means true that our policies are aimed merely at the interests of society, negating and obliterating those of the individual. Instead, our policies take care of both the interests of society and those of the individual, and integrate one with the other. However, Communist Party members and state personnel or, in other words, the advanced elements of the people of our country, should always think first of the interests of the state and people, work wholeheartedly for the interests of the people, and subordinate the interests of individuals to those of society. When contradictions arise between the interests of individuals and of society, they should take the initiative and sacrifice their individual interests. Every one of our Communist Party members and state personnel should be the first to bear hardships and the last to enjoy comforts. Currently, however, some party members and state personnel are not doing this. They think first of their individual interests, and even harm the interests of the state and the people for their own interests. A major ideological root cause for the phenomena of violating law and discipline and of degeneration and deterioration is the idea of doing everything for private interests. This problem must be seriously resolved in the current party rectification. Old China, which was bullied by other countries and ridden by disaster, was able to make a change because countless revolutionary martyrs advanced, wave upon wave, and heroically laid down their lives fighting. By inheriting and carrying forward the great lofty sentiments and aspirations of the revolutionary martyrs, the young Chinese generation will surely be able to build a proud, prosperous, rich, and powerful New China.

Because of this, for the young Chinese generation to mature still better, the second important thing, in my opinion, is that they must have a dedication of the spirit to advance and render meritorious service for the sake of the motherland, the people, and the socialist modernization program, disregarding their private interests.

Now we have tens of millions of bright and talented young people, who are the major wealth of our nation, and who provide an important condition for our nation to achieve the four modernizations. However, you should know your own limitations. Generally speaking, your book knowledge is inadequate, and your practical knowledge insufficient. In a certain sense, your practical knowledge is especially inadequate. Our party's historical experience, both positive and negative, makes us aware that, if one has only book knowledge or practical knowledge, one cannot do one's work well and become competent. There are two ways outstanding cadres have appeared in our party: One type originally had scientific and cultural knowledge, later tempered by many years of practical struggle. Other cadres lacked scientific and cultural knowledge at the beginning, but applied themselves to study the practice of revolutionary struggle. These two types of outstanding cadre have a common strength -- that is, they consistently apply themselves to combine their book knowledge with practical knowledge, and integrate the basic Marxist principles with China's reality. Today, we want to make China rich and powerful. How can we succeed in this and how can we build socialism with Chinese characteristics if we do not go deep into the reality of China characterized by its vast expanse of territory and complicated situation; if we do not go deep into the practical work of economic construction and scientific experiment; if we do not solve the numerous, complicated, practical problems to increase our competence; and if we do not integrate the universally applicable truth of Marxism and mankind's latest accomplishments in modern science and technology with China's specific situation of political, economic, science, and cultural development? We are now engaged in comprehensive reform, which concerns us all. While reforming our various systems, we should reform our ideas, methods of thinking, and mental state incompatible with the times, and make our cognitive ability and our work more suited to the needs of the party and the people. Hence, in my opinion, if China's young generation of intellectuals is to mature still better, the third important thing is for them to study, study, and study again, to practice, practice, and practice again; and to strive to integrate basic Marxist theory and modern scientific and cultural knowledge closely with the reality of China's socialist modernization program.

Going down to various places will be a test for you and enable you to temper yourselves. You should cherish this opportunity and strive to do your work in a still better way. The results of your work, in the final analysis, depend on your own practice. Therefore, there is a question of how to perform your tasks in various places.

Here I wish to put forward three hopes:

First, you all have your own good qualities and a certain educational level; therefore, you must have confidence in yourselves. However, you should also know your own weak points. Most of you have never done this kind of work, so you must be modest and work hard together with the local comrades. The educational level of local comrades may be not as high as yours, but they are familiar with the local situation and have some experience. I have heard that various provinces welcome your working there, and their enthusiasm is even higher at lower levels. Therefore, I hope you modestly learn the local situation and consult with the local people. In this way, you can not only help train and improve the local teachers, but also enable yourselves to make more contacts and understand more things on the important educational front.



You will be able to know, in a more penetrating way, what things should be reformed, the direction of reform, and how the higher level organizations can more effectively support educational work in the future. In this way, you can accumulate abundant knowledge and experience concerning educational work, which will have an important bearing on your future life.

Second, after going down to various places, you will personally feel the seething activities of building socialist modernization in various localities. As long as you are good at maintaining close ties with the masses, and can think conscientiously, you can discover particular experiences in building a new life in various localities, and understand many things which you would not be able to understand if you remained in higher level organizations. In this way, you can properly link yourselves with the practice of millions of people at the grass-roots level, and enrich your own minds. This will also have an important bearing on strengthening the building of central level organizations, consolidating and developing the good results of party rectification, improving the work style and invigorating those organizations in the future. Naturally, you may find an unsatisfactory situation in which localities and units may not do things according to the policy of the central authorities. Regarding this, you should clearly understand the situation, and reflect it in reporting to the party's leading organs in line with the organizational principle of the party, and not talk about the matter in an irresponsible way. You can thus learn how to adhere to the principle in a firm manner, and at the same time learn how to solve problems through party organization in line with party discipline.

Third, you should have leadership because you are in groups. The comrades leading groups to various provinces must conscientiously take up the responsibility, and party and CYL members should set good examples. You should carry forward the spirit of mutual assistance and carry out sound organizational activities. Comrades' good experiences should be exchanged from time to time, outstanding performances should be commended promptly, and shortcomings and mistakes should be promptly corrected through heart-to-heart talks, criticism, and help. In short, we should discover and solve problems in a prompt manner.

Comrades, the great future of the Chinese people must be self-created. The greater or lesser contributions to the people's great cause by each of us depends on our own efforts. I hope you will add dazzling splendor to our great era in your new work with new achievements!

Finally, I wish to bid you a warm farewell once again. When you successfully accomplish your tasks and return to Beijing to attend a grand meeting of general evaluation, I shall be glad to attend!

#### REPORT ON PLA GUIDED MISSILE, PARATROOP UNITS

OW091357 Beijing Domestic Service in Mandarin 2335 GMT 29 Jul 85

[Report by station correspondent (Cai Shangwu) on the PLA Air Force's Surface-to-Air Guided Missile and Paratroop Units]

[Excerpts] Dear listeners, there are two relatively new arms in the PLA Air Force: surface-to-air guided missile units, the so-called sharp sword in the vast sky, and parachute landing forces, the so-called marvelous soldiers from the sky. The following report will introduce to you the development and growth to maturity of these two arms.

The surface-to-air guided missile units are a technical arm of the Air Force, with a high degree of modernization. Under the auspices of the CPC Central Committee and the Central Military Commission, the People's Air Force founded China's first surface-to-air guided missile units in the late 1950's. A few years after its founding, the units shot down the enemy's U-2 high altitude spy planes and high altitude reconnaissance planes on a total of five occasions, thereby performing meritorious service for the motherland and its people.

On 7 October 1959, a high-altitude reconnaissance aircraft intruded into the sky over northern China in a vain attempt to provoke and spy on Beijing, our capital. It was at once shot down by the units. It was the first time in the world's air defense history that surface-to-air guided missiles had been used to shoot down an enemy plane. After the victory, the Central Military Commission collectively issued a second-class citation to the units. Party and state leaders Zhu De, Li Fuchun, He Long, Chen Yi, Cai Chang, Xu Xiangqian, and Luo Ruiqing personally inspected the site of the plane crash to view the debris, and encouraged the commanders and fighters to redouble their efforts to contribute more to safeguarding the motherland's territorial skies.

In 1960, the units once again shot down a strategic reconnaissance aircraft, a U-2. After the victory, Chairman Mao and Premier Zhou received the units' leading comrades and heard a briefing by its commander (Ye Zhenhua). Chairman Mao praised the units for doing a good job.

Later, in 1968, the units used new tactics to shoot down an unmanned high-altitude reconnaissance plane which had intruded into our territorial airspace, thereby adding an illustrious page to the combat history of the surface-to-air guided missile units. Over the past more than 2 decades, the units, commanders, and fighters have been commended by the Central Military Commission on numerous occasions.

Along with the People's Air Force's growth to maturity, the units have trained more and more surface-to-air guided missile troops for other services. The late Marshal He Long praised the surface-to-air guided missile units as the seed. Since then, the units have developed and expanded into divisions and regiments, and become an important part of the People's Air Force.

In order to speed up the units' modernization, the Air Force party committee has selected large numbers of intellectuals from offices, PLA units, and PLA and local military academies for the units, to carry out command, technical, and political work. It has also enlisted young soldiers with at least a junior middle school education to annually replenish the units' manpower.

In order to raise the scientific and cultural level of the units' senior commanding cadres and specialized personnel in various fields, the Air Force CPC Committee has made a tremendous effort to intensify the building of the PLA's first guided missile academy, so that it can gradually become a major base for training specialized personnel. At present, thousands of intellectuals are engaged in military, political, technical, and teaching work in the units. More than half the leaders at divisional and regimental levels are college graduates. All division commanders are college graduates specializing in their respective fields. Conducting military affairs in a scientific spirit at leading posts at various levels, these specialized cadres have promoted the units' modernization program, and many have been commended for performing meritorious service. They have led commanders and fighters in academic research and theoretical study of equipment maintenance and repair, and have used new technologies to remodel old weapons and equipment, completing a total of some 40 scientific and technical research projects, which have turned out over 1,900 types of new equipment currently used by the units.

From weapons and equipment to personnel training, combat training to tactical study, use, and maintenance of equipment to ground development, the units have set up a distinctively Chinese guided missile system.

Transforming knowledge into combat strength, the large numbers of intellectuals in the units have brought into full play their talents to increase the numbers of Grade A combat regiments and battalions several times. In recent years, the units have scored exceptionally good records in firing practice. The commanders and fighters of the units are using surface-to-air guided missiles designed and manufactured in China to safeguard the motherland's vast skies, day and night.

The paratroop force is a new arm of the PLA, which has received the close attention of the party and Chairman Mao since its founding. Over the past more than 2 decades, the force has continually developed and grown to maturity. It is composed of infantry, artillery, communications, engineering, and chemical warfare units, and is an important combat force in the PLA.

The life of the marvelous soldiers from the sky is secretive as well as arduous. The cadres and fighters have to toughen their feet until they are as hard as leather, while striving to master the skill of floating down on a parachute. New fighters joining the force study basic infantry knowledge and undergo basic parachute training under the guidance of cadres and veteran fighters.

Learning parachuting is only the beginning of airborne life. In order to go deep into enemy territory to perform combat duty, the paratroopers must learn landing skills both by day and night, from both high and low altitudes, with heavy weapons, and in difficult terrain. An outstanding paratrooper must not only master superb landing skills, but also familiarize himself with the tactics and skills required by an infantryman, such as shooting, grenade throwing, bayonet fighting, earthworks, and demolitions, the five major skills.

In order to train a larger number of outstanding paratroopers and speed up the modernization program, the paratroop force has taken bold steps to reform training contents, methods, and means. A regular and comprehensive teaching and training system has replaced the irregular, fragmentary training method of the past; a contingent of highly educated, proficient teachers performs the work previously done by platoon and squad leaders; and modern training means of information processing and microcomputers have been substituted for the outdated manual methods. All these have shortened the training period and raised the efficiency and quality.

#### ZHANG AIPING SPEAKS AT MILITARY INDUSTRY FORUM

OW100559 Beijing XINHUA Domestic Service in Chinese 1632 GMT 9 Aug 85

[By reporter Peng Ziqiang]

[Text] Beijing, 9 Aug (XINHUA) -- Speaking at a forum on structural reform of science and technology for national defense this afternoon, Zhang Aiping, minister of national defense, said: Since military industrial products are special commodities, the departments of science, technology, and industry for national defense must act according to economic laws and accelerate reform to conform with the general situation. How to implement the contract system in the development and production of weapons and equipment is a new subject that can only be perfected through experiments and trials and by summing up experiences.

Zhang Aiping said: China's science, technology, and industry for national defense have acquired considerable dimensions. They represent a material and technological foundation for modernizing China's national defense as well as an important force in the nation's economic construction.



We must give full play to the role of this force in the national construction. With the exception of a number of crack units which will continue to develop and manufacture weapons and equipment, a greater part of this force will join the national economic construction.

Zhang Aiping called on the comrades in the departments of science, technology, and industry for national defense to continuously carry forward the fine traditions of military industry in the new situation and new tasks, to put the interests of the state and the nation above all else, to work together, to always bear in mind the general target, to stress economic results, and to pay attention to the law of value. Working only for big profit is not a work style appropriate to military industry. All workers, scientific and technological personnel, and management cadres must always think about how to contribute to the society and should not be preoccupied with personal gains and losses. In dealing with mandatory plans, they must proceed from the situation as a whole and exert the greatest effort to fulfill them with one heart and one mind. Those previously established effective rules, regulations, and systems for ensuring the quality of products must be continuously enforced.

On the question of developing and producing weapons, Zhang Aiping pointed out: We must set high goals, strive to bring forth new ideas, and oppose sticking to conventions. We must continuously develop and produce new equipment and turn out sophisticated items. He called on all comrades on the scientific research front for national defense to always bear in mind the goals of revitalizing the national economy and modernizing military equipment, consciously submit their own interests to the needs of the general situation, and strive to realize the modernization of weapons and equipment in the foreseeable future.

The forum on structural reform of science, technology, and industry for national defense has been held in stages since 22 July. Attending the forum were responsible comrades concerned from related State Council departments, the various military industrial departments, the PLA's various general departments, the various armed services and service branches, and the Commission of Science, Technology, and Industry for National Defense.

He Qizong, deputy chief of General Staff of the PLA; Gan Zhijian, vice minister of the State Planning Commission; and Ma Yi, vice president of the State Economic Commission, also spoke at the closing session.

#### MILITARY CADETS PERFORM WELL ON FRONTLINE

OW120647 Beijing XINHUA Domestic Service in Chinese 0137 GMT 11 Aug 85

[Excerpts] Beijing, 8 Aug (XINHUA) -- Undergoing on-the-job training in Yunnan border defense units, graduates of military academies and schools led troops in valiantly counterattacking Vietnamese troops' aggression. They survived severe tests and tempering. Within 6 months, 150 of them were cited for meritorious military service and over 600 commended.

Cheng Lin, a cadet of Nanchang Army School, led a platoon in defending the "Li Haixin highground" for over 30 days and nights. The enemy poured in a large number of artillery shells, but despite being hit by over 100 shell fragments, Cheng Lin led the platoon in repulsing 11 enemy assaults. He alone killed over 20 enemy troops.

Cadet Zhu Yong, on a covering mission on a certain hill, continued fighting after sustaining a serious wound. He dug five artillery shells out of the scorched earth and threw them back at the enemy.

Fiercely machine-gunning the enemy he died still tightly gripping his machine gun with his wide-open eyes still staring at the enemy position. He was posthumously awarded a Merit Citation, First Class. Activities have been launched in frontline units to learn from him.

Acting as battery commander, Artillery School Cadet Xue Xiaochun led his battery in destroying 17 enemy guns and over 1,000 targets, including concealed positions and firing points. He was cited for meritorious service, first class.

Qin Jinxing, cadet of Jinan Army School, carefully observed the pattern of the enemy interdiction barrages, exercised flexible command, led fighters in rescuing the wounded and providing supplies amidst enemy fire 18 consecutive times, and successfully carried out the mission without his platoon suffering a single casualty. He was cited for meritorious service, second class.

Duan Binggang, cadet of Shijiazhuang Army School, was ordered to defend an exposed forward highground in Laoshan front. He drew up a well-thorough-out battle plan and led a platoon in fighting 4 battles, killing over 50 enemy troops.

These cadets' performance during on-the-job training received favorable comments from cadres and fighters of the border defense units. Leading comrades of these units reported that these politically, militarily, and physically sound cadets are fit for training and combat under any weather and terrain conditions. We feel assured when handing over the most arduous tasks to these cadets, the leading comrades said.

#### NIE RONGZHEN RECALLS BATTLE AGAINST JAPANESE

OW110108 Beijing XINHUA Domestic Service in Chinese 0205 GMT 7 Aug 85

["An Offensive Battle of Unprecedented Scale in the History of War of Resistance -- Marshal Nie's Reminiscences of the Hundred Regiment Battle by XINHUA and RENMIN RIBAO Reporters" -- XINHUA headline]

[Text] Beijing, 7 Aug (XINHUA) -- On the 40th anniversary of the victory of the war of resistance against Japan, these reporters interviewed Marshal Nie Rongzhen, a famous general of the 8th Route Army in the war of resistance against Japan. Throughout the entire war of resistance, Marshal Nie served as both commander and political commissar of the Shanxi-Chahar-Hebei Military Region; led the soldiers and civilians of Shanxi, Chahar, and Hebei Provinces in the enemy's rear area in a struggle to resist Japanese aggression; and made great contributions to defeating the Japanese invasion Army. A large-scale campaign, later known as the Hundred Regiment Battle, was organized and directed by the 8th Route Army's General Headquarters in August 1940 to attack and disrupt transportation on the Zhengtai (from Hebei's Zhengding to Shanxi's Taiyuan) railway. The campaign was jointly and primarily conducted by troops of the Shanxi-Chahar-Hebei Military Region led by Nie Rongzhen and the troops of Shanxi-Heibei-Shandong-Henan Military Region led by Liu Bocheng and Deng Xiaoping.

While reminiscing about the Hundred Regiment Battle, Marshal Nie was full of pride about its victory. He said: It was the largest scale campaign ever launched by our 8th Route Army in the enemy's rear areas in Northern China during the war of resistance against Japan. The campaign lasted 3 and 1/2 months and dealt a heavy blow to the Japanese aggression Army. The campaign's main objective was to destroy and disrupt the transportation on the Zhengtai railway. After the round-the-clock efforts of the participating soldiers and civilians to blow up bridges, destroy tunnels, remove rails, burn railroad ties, level roadbeds, and cut power lines, many sections of the railway were seriously damaged.

Marshal Nie told us that statistics for the entire Northern China Theater showed that during the 3 and 1/2 months of fighting, over 1,800 major and minor battles were fought; over 25,000 Japanese and puppet soldiers were killed or wounded; some 281 Japanese soldiers as well as 18,000 puppet soldiers were captured; over 2,900 large and small enemy positions were destroyed; some 53 artillery pieces, over 5,000 rifles and carbines, over 200 heavy and light machine guns, as well as great quantities of ammunition and military equipment and supplies were captured; and over 900 li of railway and over 30 li of highway as well as over 260 bridges, railway stations, and tunnels were destroyed, paralyzing the Zhengtai railway for over a month and thus dealing a heavy blow to the enemy in northern China. A 15 October 1940 report from the enemy's Northern China Front Army to the Japanese Ministry of the Army noted that the "damage suffered by the Zhengtai railway was so serious and of such a large scale as to be beyond all description." Combat records of the enemy's Northern China Front Army also noted that the "attack took our forces by complete surprise. We now need a great deal of time and huge sums of money to restore our strength." Describing the Hundred Regiment Battle, "The Northern China Security Campaign," a book compiled by the Japanese Self-Defense Agency, notes: "The Communist army...[ellipses as received] suddenly launched a 'hundred regiment battle,' which dealt an extremely severe blow to the Northern China Front Army." The Japanese side had never realized that the Chinese Communist forces could have expanded on such a large scale."

In recalling the world situation then, Marshal Nie said: In 1940 fascist influence was rampant in the world; and Hitler put many European countries to rout with his blitzkrieg and was swollen with arrogance. The Japanese invasion Army threatened to attack Xian, Kunming, and Chongqing and to pressure the KMT government to surrender. The Japanese also dealt blows to the U.S. and British forces in the Far East, echoing Hitler in Europe. Just as Hideki Tojo was dreaming of wonderful things, fighting suddenly broke out on a 5,000-li transportation line in the enemy's rear areas in northern China. Like a bolt from the blue, the campaign dealt Hideki Tojo a head-on blow. It smashed the enemy's "prisoner's cage policy," aimed at breaking up the troops and civilians in our resistance bases, tied down a large portion of the enemy forces, hindered the enemy's frontal attack, and checked the undercurrent of compromise and surrender of that time. The good tidings filled the whole nation with joy.

Thus, an offensive battle of unprecedented scale in the history of China's war of resistance against the Japanese rocked the whole of China as well as the world. A Peiping-based UPI reporter broke through the tight enemy blockade and filed a series of reports on the Hundred Regiment Campaign to the whole world. Smedley, a well-known American reporter, described the magnificent operation as follows: The areas from the high mountains east of Shanxi to the coast of the East China Sea, and from the banks of Huang He to the banks of Chang Jiang are turned into battlegrounds. "The men of the hundred regiments pounded the entire network of economic and communications lines, as well as the network of blockade of the enemy. The battles were fierce and relentless."

Although Marshal Nie Rongzhen is well over 80, he still vividly remembers how the attacks on the Zhengtai railway were planned, decided, and started in those years. He said: The Zhengtai railway cut across Taihang Shanmai and wound westward through high mountains, thereby splitting the majestic Taihang Shan in two. It was an important strategic communications line for the enemy in north China, as well as an important blockade route for undermining our base areas.

In the spring of 1940, Marshal Nie came to southeast Shanxi where he discussed attacks on the Zhengtai railway with Peng Dehuai, Zuo Quan, Liu Bochong, and Deng Xiaoping. Later, with the military commission's approval, the large-scale attacks on the Zhengtai railway were launched.

In early June, Marshal Nie returned to Shejiazhuang in Tang County together with the southbound detachment of the Shanxi-Chahar-Hebei Military Area. On 21 July, the General Headquarters of the 8th Route Army issued the "Standby Order on Launching Attacks on the Zhengtai Railway." The General Headquarters assigned on the Shanxi-Chahar-Hebei Military Area responsibility for attacking the Shijiazhuang-Pingding section of the Zhengtai railway. The main thrust was the area extending from Niangziguan to the Jingjing coal mine and the adjacent areas. In addition, the General Headquarters also required that Shanxi-Chahar-Hebei Military Area launch extensive attacks on railways and highways of the Pinghan railway, the Beining railway, the Jinpu railway, the Shide railway, and the Cangshi railway which were under the control of the military area, so as to prevent the enemy from sending reinforcements of the Zhengtai railway.

Having received the General Headquarters order, the Shanxi-Chahar-Hebei Military Area immediately reorganized its troops into three columns, with Xiong Botao heading the left column, Yang Zhengwu heading the central column, and Guo Tianmin and Liu Daosheng heading the right column. These columns, together with pincer troops and a general reserve force, were responsible for this combat operation. Plans for attacking the Pinghan railway and other communications line were also made accordingly.

The Independent Mixed Brigade No 8 of the Japanese Army was guarding the area along the Jingjing-Shijiazhuang section of the Zhengtai railway. The independent Mixed Brigade No 4 was stationed along the Niangziguan-Shouyang section. The Independent Mixed Brigade No 9 was stationed in the Taiyuan and Yuci areas. The enemy had built firm fortifications on its strongholds along the railway. The fortifications were linked by trenches, while barbed wire, outer trenches, and other obstacles were installed on the perimeters, in addition to a close-knit network of firepower. More than 40 enemy strongholds were found in the Pingding-Shijiazhuang area alone.

The General Headquarters wanted the attacks on the Zhengtai railway to start at 2200 on 20 August all along the line.

It was raining that day. Braving the rains, our troops passed along the small hilly paths and secretly moved in on the enemy before dark. Due to the adequate preparation before the battle and the masses' close cooperation with the troops in blocking the news, the enemy was unaware of our movements.

Marshal Nie vividly described to us the grandiose scenes of launching attacks on the whole of the Zhengtai railway line. When the time came, red flares signaling the launching of attacks pierced the darkness. Like fierce tigers coming down from the mountains, commandos on all fronts lunged at the enemy railway stations and strongholds. Thunderous explosions were everywhere, resounding along the whole Zhengtai railway line. Meanwhile, areas along the Zhengtai railway and certain sections on the Tongpu railway came under the massive network of firepower of the 8th Route Army and the masses of people.

Marshal Nie made special mention to the reporters about the battles to capture the strategic post at Niangziguan. That was an outstanding achievement of the Shanxi-Chahar-Hebei Military Area during the first stage of the battle.



The strategic post at Niangziguan was, located at the crucial point on the border between Hebei and Shanxi on the Zhengtai railway. Before the war of resistance, the Kuomintang Army had built many fortifications there. The post was occupied by the Japanese troops in October 1937. The enemy took advantage of the post's strategic position and built four more huge fortifications. Besides, some puppet troops were stationed in the village at the foot of the strategic mountain pass. On the night the battles began, units of the 5th Regiment of the right column were charged with the main thrust. They sneaked into the Niangziguan Village, finished off the puppet troops, and, using the village as the support, launched forceful attacks on the Japanese troops that doggedly resisted by occupying the strategic position. On the steep slope, our fighters braved the heavy barrage; they fell one after another and fought an uphill battle to capture the enemy fortifications at Niangziguan. After 3 hours of repeated assaults, the enemy fortifications were finally captured. At dawn, our Army's triumphant flag was already flying at Niangziguan. Compatriots in the Niangziguan area who had lived under the cruel oppression by the aggressor troops for 3 years broke into tears of excitement when they saw the red flag of the 8th Route Army fluttering at Niangziguan. After seizing Niangziguan, our Army went on to damage the railway bridge east of Niangziguan, and gathered a large quantity of wire. On 21 August, reinforcement troops of the Japanese Army were rushed there, and our Army withdrew from Niangziguan after destroying the fortifications.

Marshal Nie said: The attacks on the Zhengtai railway in the first stage, which lasted 20 days, were successfully carried out. Before the end of the first-stage attacks, Peng Dehuai, deputy commander of the 18th Group Army, put forth a plan for exploiting the victory. He submitted the plan to the Central Military Commission and also transmitted it down to responsible persons of all units.

The second-stage attacks began 20 September. The task entrusted by the Headquarters to the Shanxi-Chahar-Hebei Military Area was to destroy the roads in Laiyuan and Lingqiu and to seize the capitals of these two counties. For this purpose, we organized the "Lailing battle." Taking part in the battle were mainly units of the first and fifth subdistricts under the command of Yang Chengwu and Deng Hua. In order to coordinate with the operations of the "Lailing battle," the Central Hebei Military Area organized the Renqiu-Hejian-Dacheng-Suning Battle. Blitzkreigs on railways and roads were also launched in various places.

The contention between the enemy and us for the Lailing area was quite fierce because the area was an important strategic position, and some of the enemy strongholds were deep inside the border region. The purpose for launching the battle was to eliminate these strongholds to further consolidate our revolutionary base. Alerted by our attacks on the Zhengtai railway, the enemy in the Lailing area reinforced the troops in various strongholds., intensified the fortifications, stored up grain and ammunition, and heightened vigilance. All this considerably diminished our Army's chance to successfully carry out the attacks.

Immersed again in recollections of the past, Marshal Nie said with deep emotion: For the sake of the Chinese nation and resistance against the Japanese aggression Army, our fighters fought heroically and tenaciously and suffered grave sacrifices during the second-stage attacks.

On the night of 22 September, units of the first subdistrict attacked the Laiyuan County capital. The enemy counterattacked ferociously and released poisonous gas.

Based on the battle situation of the night, the units of the first subdistrict redeployed its troops the next day, assigning only one unit to keep watch on the enemy inside the county capital while concentrating the remaining forces to eliminate the strongholds first in the vicinity of the county capital and then to attack it.

After the change was made, several units from the 1st and 2nd Regiments attacked the Sanjiacun stronghold east of the county capital. Heavily fortified, the stronghold was guarded by some 80 Japanese puppet soldiers. Covered by artillery fire, our Army launched a fierce offensive on the enemy fortress on the night of 23 September. Braving heavy fire and surmounting obstacles, our fighters charged into the fortress and the village and, after several hours of fierce fighting, annihilated all enemies. At the same time, under the command of regiment leader Qiu Wei, the 3rd Regiment concentrated its forces on attacking Dongtuanbao.

The Iida units that guarded Dongtuanbao were composed of Japanese noncommissioned officers. They doggedly resisted the attack and continuously released poisonous gas. Our Army fought with valor and vigor and continued fighting until the night of 24 September when all peripheral fortresses were taken. The remaining enemy retreated into the village and held their positions in a few houses, continuing to release poisonous gas while organizing counterattacks. Cadres and fighters taking part in the attack waged on arduous struggle and suffered grave casualties. A number of comrades were poisoned. At daybreak on 25 September, the units retreated to the village perimeter, and launched another offensive in the afternoon, waging hand-to-hand combat with the enemy. After our Army repeatedly charged the enemy position, the enemy could hold out no longer. Unwilling to surrender, the enemy set all weapons, supplies, and grain on fire and then committed suicide by jumping into the fire. The battle of Dongtuanbao is typical of fighting tenacity with tenacity, which amply shows the shock our Army's combat strength gave the enemy. The so-called "Song of Eternal Sorrow for the Iida Units of the Great Japanese Imperial Army Stationed in Dongtuanbao" composed by the Japanese Army includes a passage which says: "Undying regret that the 8th Route Army was not annihilated; what a tragedy at Dongtuanbao." Engraved on a stone, this song shows the strong impact the Dongtuanbao battle had on the Japanese aggression Army.

On 2 October, we again organized four regiments, a detachment, and two battalions to launch an offensive on the Lingqiu-Hunyuan-Guangling area. Discovering our Army's movement, the enemy in Lingqui transferred the enemy troops from the strongholds in Nanpotou and Guzhihe to jointly attack our second regiment. Since some of the enemy troops had been transferred to Lingqiu, our 1st Battalion under the first Regiment seized the opportunity to raid the Nanpotou stronghold and annihilated some 70 Japanese soldiers in one stroke. It was a quick and brilliant victory.

The Lailing battle was fought for 18 days. Over 1,000 Japanese puppet soldiers were annihilated and over 290 firearms and 45,000 rounds of ammunition captured.

Marshal Nie said: Shocked by the continuous blitzkriegs over 1 and 1/2 months, the enemy in northern China was thrown into confusion, and the puppet soldiers were also shaken. To save the situation, the enemy rushed to transfer all forces possible from northern China to stage a frenzied retaliation against our Army. Thus, the battle entered its third stage with a struggle between the enemy's "mopping-up operations" and our "antimopping-up operations."

In order to gain the initiative in the "antimopping-up operations," the Shanxi-Chahar-Hebei Military Area made the following arrangements for deploying troops: A branch of the troops should engage the enemy; in an unfavorable combat situation, the main forces should move away at an appropriate time in order to seek the opportunity to carry out sabotage between enemy positions on various radios; and the guerrillas and militiamen in various places should fight on interior and exterior lines under the support of the main forces in order to disrupt the enemy's "mopping-up operations."

Smiling, the marshal told us an episode about the militiamen of Pingshanxiazhuang in the "antimopping-up operations." The militiamen of the village bored holes in stones, fill filled the stones with dynamite, and placed them on the roads where the enemy would pass. They also put up scarecrows on mountain tops. When the enemy was attacked by the stone mines and thought they were from our main forces, the enemy immediately set machine guns and cannon to vigorously assault the mountain tops only to discover the scarecrows there. This episode illustrates the wisdom and intelligence of the masses of people. The Japanese aggression Army originally pinned their hopes on using repetitious and continuous joint attacks and on scorching and slaughtering to frustrate our Army's main forces and destroy our base. However, under the heroic resistance of the armymen and civilians fighting in unity in our border region, the enemy's scheme was again aborted.

Marshal Nie said: The victory of the Hundred Regiment Battle was brilliant and should be affirmed. Although it teaches us some lessons, they are only minor aspects and need not to be elaborated here.

At the end of the interview, Marshal Nie stressed: Reminiscing about the Hundred Regiment Battle and the history of the entire war of resistance against Japan and as a participant in the war, a multitude of feelings surge up in my heart. "War educates the people, and the people will win war, peace, and progress." This is a truth that has long been proved by the course of history. Over the past nearly 6 decades, the Kuomintang and the Communist Party twice cooperated to accomplish the great undertakings of the Northern Expedition and the war of resistance against Japan. I participated in the Kuomintang-Communist cooperation on both occasions. Today history is again calling for the cooperation for the third time in realizing the motherland's reunification and revitalizing the Chinese nation. This is the trend of the times and the desire of the people, as well as a mission entrusted to us by history. It will be the best thing to commemorate the 40th anniversary of the victory of the war of resistance against Japan.

#### COMMENTARY URGES LIGHTENING PEASANTS' BURDEN

OW091827 Beijing Domestic Service in Mandarin 1200 GMT 8 Aug 85

[Station commentary: "Strengthen the Concept of Making the People Rich, Lighten the Peasants' Burden"]

[Text] A common problem in the countryside at present is that the peasants have too heavy a burden. Wanton fund-raising and forcible apportionment of funds are escalating in many localities, making it more and more difficult for the masses to withstand the strains.

A main reason for this is that many localities are too anxious to provide good services for the masses, with the scope of the services getting out of proportion.

The comrades' motives in these localities are not wrong. But will not a good cause bring adverse results, if it gives no consideration to the masses' ability to withstand the strains and sets no limit to increasing their burden, depriving them of most of their hard-earned income, and causing widespread complaints among them?

The livelihood of most peasants has indeed been improved in recent years. But we should not overestimate the level of the peasants' wealth. Only a small number of peasants have actually become rich, while the majority of them have only just enough food and clothing. A leader should fulfill his duty by doing his utmost to help peasants develop production and become rich, and should by no means seek quick success and instant benefit, much less flaunt the banner of serving the people while actually harming their interest and whipping up unhealthy tendencies.

We should correct the practice by various departments of soliciting money from the masses and making demands on them as soon as such cases are uncovered. If we allow such problems to pile up, it will be more difficult for us to remedy them. We hope that leading comrades concerned will take effective measures to lighten the peasants' burden and do more good deeds for them in a down-to-earth manner.

#### RENMIN RIBAO COMMENDS UNIVERSITY DINING HALL

HK100948 Beijing RENMIN RIBAO in Chinese 29 Jul 85 p 1

[XINHUA report by Zhang Chijian and Xu Jiangshan: "Harbin Industrial University Runs Its Dining Halls Well"]

[Text] "The dining halls at the Harbin Industrial University are well operated!" This is the general comment of more than 6,000 students, teachers, and staff members who eat their meals on campus. The responsible comrade of the university CPC Committee praised the dining halls, saying that they "have done half of the work in the school." Students said that the dining hall staff did its share in helping them complete their dissertations.

The Harbin Industrial University have five dining halls, all of which were located in old buildings. In addition, nonstaple foods are in short supply due to the local climate. The dining hall staff of the Harbin Industrial University has overcome all these difficulties and has done its best to run the dining halls well in the interests of students, teachers, and staff members. They regard themselves as the students' second teachers, sharing the responsibility of fostering qualified personnel. The dining halls of this university have been graded advanced dining halls of the higher education system of Heilongjiang Province every year since 1980 and were elected a progressive collective by the Ministry of Astronautics Industry last year.

The dining halls of this university provide a wide variety of foods. For breakfast, they supply at least 5 staple foods including deep-fried twisted doughnuts, steamed buns, porridge, soybean milk, and more than 15 dishes. For lunch, apart from such popular foods as rice, steamed twisted rolls, noodles, steamed stuffed buns, stuffed noodles, and more, they also supply more than 10 staple foods including such delicacies as lightly fried dumplings, steamed dumplings, and pancakes, as well as more than 10 nonstaple foods and dishes, a couple of typical local dishes, a soup, and a dozen cold dishes and pickles. For supper, the dining halls supply such staple foods as stuffed noodles, cooked food made of grains, fried noodles, 3 or 4 vegetables, and more than 10 other dishes.

The dining hall staff members of this university are thoughtful. They have compiled a birthday card list of more than 5,000 students of the university. Every student will receive a bowl of noodles, two eggs, and a cake on his birthday.



When a student falls ill, the dining halls will specially prepare foods for him according to his physical condition. Those students who have a partiality for a particular kind of food are allowed special arrangements. The dining halls supply abundant foods for students during the New Year and other festivals. During vacations, the dining supply box lunches to those students who leave the school for home visits. The dining halls have also prepared midnight snacks and delivered them to dormitories every night since 2 years or so ago when they learned that students work late into the night.

The dining halls of this university have tried their best to reduce costs. Since the restrictions on the prices of nonstaple foods were lifted, they have assigned more staff members to take charge of purchases. Their purchasing agents have made every effort to purchase cheap nonstaple foods in suburban counties. At the same time, the dining halls have strengthened management and reduced consumption. They have also strengthened accounting -- every cook has been given a scale and an account book, and he is required to calculate the costs of every dish and is subject to inspection and supervision by the school mess administration committee.

The dining hall staff members exercise strict self-discipline. Cadres of the mess section of the university do not eat at the dining halls although they work at the dining hall every day. The cooks of the dining halls are thoughtful and enthusiastic to students and the staff members and students are on good terms with each other.

#### Commentator's Article

HK100952 Beijing RENMIN RIBAO in Chinese 29 Jul 85 p 1

[Commentator's article: "Do Not Make Light of Students' Daily Meals"]

[Text] The prime task for institutes of higher learning is to foster qualified personnel. Leading people of a university have to undertake a great deal of work -- they have to take care of education, promote scientific research, and initiate reform.... Should they divert their attention to students' daily meals? It must be admitted that it is untrue that the leading cadres of every university have a clear understanding of this question.

In the past few years, catering service to students have been constantly improved as many colleges and universities have attached importance to the role of dining halls. However, the leaders of quite a few schools still have not placed dining hall work on their agenda yet. The dining halls of these schools are faced with many problems such as respect for the quality of meals, sanitary conditions, service attitude, and so on. As these problems have long been ignored, there are grievances from students and dining hall staff and new problems arise. In certain schools, these problems have even given rise to sharp contradictions which affect the normal operation of the schools.

The dining hall at institutes of higher learning seems to be trivial, but, in fact, it is an important task which enables the schools' party organizations and leading cadres to maintain ties with students, unite with them, and carry out ideological and political work among them. The leading comrades of the Harbin Industrial University were right in saying that half of the school's work would be done if the students' dining halls were well operated. The students of the Harbin Industrial University fairly pointed out that they owed the dining hall staff for the latter's contributions to their academic achievements.

The dining hall staff also realized that they were sharing the responsibility for fostering qualified personnel. Their remarks are objective indeed! Their remarks not only reflect a new type of relations between today's college students and school leading cadres and between students and dining hall staff, but also reveal the important role of dining hall work as a part of the work of colleges and universities as a whole.

Our party has a good tradition, namely, the tradition of "being concerned with the well-being of the masses and paying attention to work methods," as Comrade Mao Zedong advocated in his early years. During the years of revolutionary war, our leading cadres taught fighters both by works and by their own examples in carrying out ideological and political work. Meanwhile, they paid attention to such trivial things as tucking in the boys' bedsheets, preparing meals for fighters on the sick list, and so on. The common revolutionary goal and the comrade-type relationship between cadres and masses embodied in these trivial things are exactly examples of vivid ideological education. We should never forsake this fine tradition of ideological and political work in the new period of the four modernizations. School leading cadres and teachers must not only give students lectures on political theories, revolutionary principles, bright prospects, and so on during meetings, but must also inspire students with exemplary deeds, encourage them to arduously pursue knowledge and devote themselves to the four modernizations, and go deep into students' dining halls and dormitories to show their concern for the students' daily meals, in order to share their happiness and unhappiness and to become their intimate friends. Only in this way can ideological and political work be carried out successfully.

Comrade Deng Xiaoping has demanded that our cadres of the whole party "speak fewer empty words and do more practical work." Doing practical work means doing a good job in one's own post and taking up specific problems in one's daily life first. The problems of students' daily meals is one which we are faced with every day. If our school leading people are really determined to do more practical work, we hope that they will first pay attention to the dining hall!

#### YU GUANGYUAN ON MARXISM IN SOCIALIST CONSTRUCTION

HK091536 Beijing RENMIN RIBAO Overseas Edition in Chinese 5 Aug 85 p 2

[Speech by Yu Guangyuan delivered at seminar to mark the 90th anniversary of the death of Engels: "Actively Develop Marxism as a Science of Socialist Construction" -- date not given]

[Text] The best way for us to commemorate our great revolutionary teachers today is to actively develop Marxism as a science of socialist construction. Two and a half years ago, when we marked the centenary of the death of Marx, we emphatically put forth such a task. Today when we mark the 90th anniversary of the death of Engels, Marx' close comrade-in-arms, we should still emphasize the same task as an orientation for China's Marxists in their efforts.

China is now undertaking socialist construction of the four modernizations. Important reforms in the economy and other respects of social life and social relations are under way for the sake of socialist construction. We have been bold and resolute in doing so. Seeing this historical change, many people abroad have said, China no longer regards Marxism as the theoretical basis for guiding its economic and social development. This is entirely wrong.

We Marxists have never held that classical Marxist works (including those written by Marx and those by Engels, whom we are commemorating today) can solve all the questions China needs to solve today. In order to solve many contemporary important issues in China, classical Marxist works written 90 years or a century ago are certainly not enough. The conclusion can only be actively developing Marxism; and this idea is itself Marxist in nature. Classical Marxism was written for socialist revolution, and is the science for socialist revolution. Now that China has entered upon the stage of socialist construction, it is in pressing need of Marxism as a science for socialist construction to give powerful guidance to China's reform, the management of all kinds of undertakings involved in socialist construction, the life of the people, and the construction of the Communist Party and all types of social organizations during the stage of socialist construction. Such work in developing Marxism as a science of socialist construction is being undertaken by China's Marxists, as well as Marxists in other countries, with certain good results; however, there is a need to make the task all the more explicit.

We should acknowledge that it is by no means an easy task to develop Marxism as a science of socialist construction, and to obtain scientific achievements with ample grounds of argument and eloquent logical power to solve current practical problems and to grasp the broad masses so that they can be turned into tremendous material forces. To achieve this, we must be resolute in making up our minds to engage in this work with our greatest efforts. We hope that everyone will take into full account the importance of developing Marxist theory in China, help Marxist theoretical works go in for such creative work in all respects, create favorable conditions for them in such work, and give them the greatest encouragement in such undertakings.

To develop Marxism in a creative way means studying the newborn things emerging in historical development, exploring the questions posed in the course of such development, absorbing new achievements in the new science and culture provided therein, and conducting scientific research in a creative manner on the basis of established Marxist conclusions. To develop Marxism in a creative way includes the shaping of concepts which do not exist in classical Marxist works -- concepts which were most impossible because of the historical limitations on classical Marxist writers -- as well as the creative application of those principles explicitly explained long ago in classical Marxist works. This means applying Marxist principles to the present specific conditions in a creative way.

On concepts in classical Marxist works which are entirely applicable to our actual conditions today, we can cite the following example. Over quite a long time prior to the 3d Plenary Session of the 11th CPC Central Committee, the Marxist principle that "the basic task of socialism is to develop social productive forces" was not adhered to, bringing about bad effects known to all. But when this principle is applied to guiding China's economic reform, the power of this Marxist tenet is making itself felt.

Of course, in applying Marxist tenets of the actual conditions of today, we should by no means simply repeat what has been said in classical works, but apply it to the studying of the issues of the day, linking Marxist tenets with the present specific conditions. China's Marxists should concentrate their efforts on linking Marxist basic tenets with its socialist construction. In Comrade Deng Xiaoping's words, we should explore a socialist road with Chinese characteristics.

The application of Marxist basic tenets to socialist construction also belong to the realm of developing Marxism as a science for socialist construction.

We should also see how rich and profound are the essences of classical Marxist works, from which we can obtain many helpful teachings. These works contain many discussions which are very useful to China's socialist construction, which have not received enough attention. This is the case with Engels' "Natural Dialectics." Not long ago, quite a few comrades and I worked on a new translation of "Natural Dialectics," which is now in circulation. We should like to dedicate this new translated version of the book to China's readers as a souvenir to mark the 90th anniversary of the death of Engels.

#### DISCIPLINE COMMISSION ON SALE OF FAKE DRUGS

OW112001 Beijing XINHUA Domestic Service in Chinese 1225 GMT 9 Aug 85

[Excerpts] Beijing, 9 Aug (XINHUA) -- Note by the Central Discipline Inspection Commission [CDIC]: The GUANGMING RIBAO report on the sales of large quantities of disqualified drugs by some lawless people in Wei County, Hebei, is another startling case following the exposure of the manufacture and sale of fake drugs in Fujian's Jingjiang Prefecture.

The CDIC and the Public Health Ministry have joined efforts with Hebei Province and Handan Prefecture in investigating and handling the case. They firmly support the public security authorities in taking legal actions against the crooks. However, other localities related to this case have not taken action against pharmaceutical agencies that violate state regulations, and sell disqualified drugs to crooks in an attempt to secure ill-gotten wealth. This is intolerable. The localities concerned should assign people to strictly investigate and handle the case as soon as possible.

Manufacturing and selling fake and inferior drugs is a criminal act that seriously violates party discipline and state law, runs counter to social ethics, and puts the state and the people in jeopardy. All localities should fully understand its seriousness and harm. It is necessary to follow the example of Jiangxi Province which has earnestly studied and implemented the guidelines contained in the CDIC's "Open Letter" to the Jinjiang Prefectural CPC Committee and the party group of the prefectural administrative office, and have taken effective measures to investigate and handle related problems. Important cases should be handled thoroughly, and criminal offenders should be swiftly and severely punished. The responsibilities of the leading departments and cadres involved should be pinned down. Those who obstruct and hamper the investigation of these cases with all sorts of pretexts should be brought to justice no matter who they are. (end note)

According to a report by GUANGMING RIBAO reporter Li Jiajia: An important case was recently uncovered in Wei County, Hebei Province that involved illegal sales of drugs, which the state explicitly ordered disqualified, by 20 pharmaceutical agencies in 9 provinces, municipalities, and autonomous regions. These unused drugs have been re-packaged and sold in Hebei and other provinces by some lawless people. The public security authorities in Wei County arrested six criminals, detained four people, and held two persons for interrogation. The escapees are being hunted.

On learning this, the CDIC, the Public Health Ministry, Hebei Province, and Handan Prefecture formed a joint investigation group to be stationed in Wei County. The case is being earnestly investigated and handled.

A responsible person assigned to Wei County by the CDIC and the Public Health Ministry to investigate the case told this reporter that this case is vital to the people's health. The source of the disqualified drugs should be stopped immediately and all disqualified drugs in stock, including those stocked by state-run pharmaceutical companies, should be banned.



Discipline inspection, public security, industrial and commercial, and pharmaceutical administrative authorities in all localities should closely coordinate efforts to strengthen the management over pharmaceutical markets and prevent lawless people from selling disqualified drugs. Some disqualified drugs have been sold to medical units, so all hospitals should earnestly single out these drugs lest they be consumed by patients.

COMMENTARY ON 'POWER OF PERSONAL INFLUENCE'

OW111255 Beijing XINHUA Domestic Service in Chinese 0853 GMT 9 Aug 85

[XINHUA commentator: "Commenting on Ma Shengli's 'Power of Personal Influence'"]

[Excerpts] Beijing, 9 Aug (XINHUA) -- From his position as director of the Shijiazhuang City paper mill, Ma Shengli experiences a kind of power which enables him to freely exercise his authority, and which he terms "power of personal influence." This is a valuable experience.

The "power of personal influence" is the power derived by a leading cadre from his upright manner and good example to influence the masses and arouse their enthusiasm. This influence does not imply coercion, so it does not resemble any kind of power. However, its impact is not to be underestimated. It can achieve things no other powers can, and will ensure that leaders will exercise their powers freely. With this power, one truly possesses the power of leadership. Without it, the power of leadership is forfeited.

On the mention of power, we naturally think of it as coming down from the higher up, or as being entrusted by the people. But the "power of personal influence" mentioned by Ma Shengli is different. One has to develop this power by himself. To obtain this power is both easy and difficult. It is easy because every plant director can have this power. It is not easy because to obtain this power, one should behave in an upright manner and set good examples in everything he does. He should demand that he himself meet the requirements before demanding others to do the same. He should take the lead in refraining from doing things before demanding the masses not to do those things.

We hope that all leading comrades will strive to obtain the kind of "power of personal influence" possessed by Ma Shengli and will rate the success or failure of their leadership by judging whether or not they possess this power and whether this power is big or small.

OFFICIAL CALLS FOR STRENGTHENING TAX COLLECTION

OW100125 Beijing XINHUA Domestic Service in Chinese 0920 GMT 7 Aug 85

[By reporter Chen Naijin]

[Text] Beijing, 7 Aug (XINHUA) -- A national tax work meeting concluded today in Beijing. The meeting urged governments at all levels to strengthen tax-collection work in order to ensure the balance between the state's revenues and expenditures.

While this meeting was in session, the executive meeting of the State Council heard a report on tax work. A State Council leading comrade pointed out: To serve as a major economic lever, tax work should play an important role in macroeconomic management. With the system of profit delivery replaced by tax payment, taxes will become a principle source of revenue and will have a decisive effect on balancing the state's revenues and expenditures. Governments at all levels are requested to strengthen leadership over their tax work and see to it that there will be an additional 12 billion yuan in this year's tax revenue in order to ensure the state's financial balance.

Jin Xin, director of the General Taxation Bureau of the Ministry of Finance, delivered a summing-up report today. The report states: The tax revenue for the first half of this year showed quite a large increase. As of the end of June, departments at all levels had collected 84.8 billion yuan, meeting 56 percent of the planned annual target. Calculated on a comparable basis, this is 19 percent more than the tax revenue for the corresponding period last year. Furthermore, the work of tax collection and administration was strengthened. However, lots of facts found in many places show that tax evasion by enterprises and other units still remains a serious problem. In accordance with an instruction from the leadership of the State Council, it is necessary to conduct a nationwide inspection, beginning in August, to crack down on tax-evasion cases. The inspection will also serve as an education to enterprises, other units, and the masses to let them know the need to pay taxes according to the law. Those who have deliberately evaded taxes should be fined. If they have violated the criminal code, they should be punished according to the law. In conducting the inspection, it is imperative to use the current state tax law as the criterion and to take immediate action after a tax-evasion case is found. That is, when it is determined that taxes have not been paid as required, the taxpayer should be instructed to make up the tax payment immediately, and there should be no leniency at all. As for those cases of tax reduction and exemption granted by local governments that acted beyond the scope of their tax administrative authority, resolute action should be taken to correct them no matter which levels of local governments are involved.

Jin Xin stressed: To achieve the goal of increased tax revenue this year, we must further strengthen tax-collection work and pay more attention to tax administration. We must do well in the administration of domestic tax revenue and tax revenue from sources involving foreign taxpayers. We must do a successful job in collecting tax from state-owned and collective enterprises as well as from self-employed workers and businessmen, not only from major sources but also from minor, scattered sources. All localities must make proper arrangements so that they will have sufficient personnel and set up necessary organizations to take care of tax collection and administration. They must establish and improve their rules and regulations where necessary and decide on the proper way to proceed with tax collection and administration according to their specific local conditions. In addition, it is essential to strengthen the centralized and unified administration of tax revenue rather than allowing many units to take part in this work. Then tax organizations and their cadres are exercising their tax-collection function according to the law, no locality or department has the authority to intervene.

#### ENTERPRISES FAIL TO HONOR CONTRACTS WITH STATE

OW111030 Beijing XINHUA Domestic Service in Chinese 1348 GMT 9 Aug 85

[Text] Beijing, 9 Aug (XINHUA) -- In the first half of this year, 18 contracts for the supply of major state-planned products to the state were not fulfilled and the delivery rate for 13 of them was slower than the same period last year. On this matter, XINHUA reporters interviewed a responsible person of the State Statistics Bureau today.

He said: The main cause for this situation was that the leading bodies of many enterprises lacked sufficient understanding of the serious nature of contracts with the state and had no firm concept of planning and the overall situation.



As the prices of the state-planned products sold to the state were lower than the negotiated prices in the market, a number of enterprises were only interested in products they were to market and became ambivalent toward fulfilling the contracts for the supply of products to the state, unwilling to do their utmost to honor the contracts. For instance, the Anshan Iron and Steel Company only fulfilled 23 percent of the contracted supply of pig iron to the state. Of this contracted supply, it only fulfilled 7.8 percent of the contracted pig iron supply to the Ministry of Machine-Building Industry while not supplying even one ton of pig iron to the China Automotive Industry Corporation. This is wrong under any circumstances.

He said: To ensure the fulfillment of the major state construction projects and the production of major products, the state enforced a planned distribution of the major means of production and signed contracts with the producers on product supplies. The "Regulations on Contracts for Purchasing and Marketing Industrial and Mining Products" promulgated by the State Council in 1984 clearly stipulated the points that both parties to a contract must observe along with the responsibility the contract violator must bear. The state contract is an embodiment of the state plan for material distribution, thereby having the legal effect. Willfully breaking a contract and refusing to supply products according to a contract is not allowed.

The responsible person of the State Statistics Bureau offered a few opinions about increasing the delivery rate of constructed supplies of state-planned products. He said: All enterprises must develop a strong concept of the legal system and take the overall situation into consideration so as to strictly fulfill contracts with the state. Only after they have first fulfilled contracts with the state can they arrange for the self-marketing of their products. All departments-in-charge must see to it that enterprises accept orders according to the state plans and make plans for production and delivery of products. Economic sanctions will be imposed according to regulations on those who willfully withhold state-planned materials. Fuel, electricity, and scrap iron needed by major enterprises must be supplied according to plan and the transport department must give priority to shipment of materials distributed according to the state plan.

He also pointed out: The production and construction tasks throughout the country in the second half of this year are very heavy and the supply of materials is very urgent. Enterprises must do all they can to compensate for their failure to supply materials in the first half of this year so as to ensure the fulfillment of the product-supply contracts for this year.

#### JINGJI RIBAO ON READJUSTMENT OF RURAL ECONOMY

HK110305 Beijing JINGJI RIBAO in Chinese 2 Aug 85 p 2

[Commentator's article: "Readjustment of Rural Production Structure Is a Long-Term Task"]

[Text] When our rural reform enters its second phase, a prominent issue is to gradually set up a reasonable rural production structure and to change the long-standing unreasonable structure which made our rural production poorly coordinated. That is to say that we should establish a reasonable structure that is suited to market demand and commensurate with local conditions. It will be an arduous process to realize a benign economic and ecological cycle in our rural production, to formulate a correct and reasonable policy which is in line with such a benign cycle, and to establish an integrated service system to meet the needs in the development of the commodity economy. Therefore, the readjustment of the production structure is a long-term task for our rural reforms.

The successful reforms in the countryside in recent years have greatly emancipated productive forces and have brought about a good tendency in the development of commodity production. However, we need to consider how to reasonably arrange and deploy surplus labor force and need to work out the best arrangements on a long- or intermediate-term basis for the development of commodity production. Then our plans should be tested, verified, and revised through practice. Whether in readjusting the ratios between farming, forestry, animal husbandry, and fishery in primary industry or in the course of shifting the labor force to secondary or tertiary industry, and whether in the process of forming an integrated regional market in the developed areas so as to boost export-oriented industries or in the efforts to select and develop leading industries in backward areas, and even in the course of improving our transport facilities and processing and storage capacity, we will certainly encounter many complicated factors and need to give comprehensive consideration to the coordination of many things so as to properly handle the relationship between the part and the whole, between microeconomic matters and macroeconomic matters, and between economic results and social results. It must take time to accomplish this work, and it is unrealistic and impossible to expect that "the whole task may be accomplished at one stroke."

Since we began to readjust the rural production structure, marked changes have occurred in various trades in the countryside. The old situation in which peasants are merely engaged in grain production and farming has been changed and the closed state of the rural areas has been broken. Now the employment structure of rural people is markedly different from before. However, we should admit that we have just begun the readjustment of the production structure. Although various production elements in the countryside have begun to become more mobile, they are still at a low level of socialization and mobility, and the percentage of marketable products is still rather low. Most peasants have not found a way suited to their local conditions to make themselves rich. Many cadres have not adapted their guiding ideas and work methods to the needs of commodity production. This shows that both cadres and ordinary peasants have to spend more time on familiarizing and adapting themselves to the new situation. Therefore, we not only should assume a positive attitude toward the structural readjustments, but should also adopt more steady and prudent steps for the readjustments.

In order to smoothly and steadily accomplish the readjustment of the rural production structure, cadres at all levels are now urgently required to realize the necessity of making prolonged and constant efforts for this structural readjustment and to learn how to guide the peasants to arrange their production in light of market demand. They must not use the method of staging a mass movement and laying down targets to carry out the task of the structural readjustment. They must not impose unrealistically and excessively high targets upon the peasants and grass-roots units. They must not blindly pursue short-term or immediate results, and must not recklessly give publicity to some inappropriate practices. In short, we should carry out the task of readjusting the production structure step by step on a long-term basis, and must not blindly seek high speed in the process of this readjustment. We should realize that the few production targets do not reflect the success or failure of our work in the production structural readjustment; instead, the more important yardstick is whether we can shape a benign cycle in the rural economy and whether we can maintain a sustained, stable, and well-coordinated trend of development. All rural cadres and people should make prolonged joint efforts to achieve this purpose.

ANHUI GOVERNOR ON RESTRUCTURING RURAL ECONOMY

OW081149 Hefei Anhui Provincial Service in Mandarin 1100 GMT 18 Jul 85

["Excerpts" of talk by Governor Wang Yuzhao at a forum on restructuring agricultural production in old revolutionary bases and impoverished mountain regions in western Anhui -- date, place not given]

[Excerpts] Provincial Governor Wang Yuzhao said: The central topic of this forum is how to tap the rich natural resources in the mountain regions, relax policies, and vitalize the economy, thereby enabling the old revolutionary base areas and the impoverished mountain regions to become prosperous as quickly as possible.

Since the 3d Plenary Session of the 11th CPC Central Committee, the party and government have formulated a series of correct agricultural policies as well as policies designed for the mountain regions, popularized various contract responsibility systems linking income with output, and raised the procurement prices of forestry and sideline products by large margins in the mountain regions. This year, the state monopoly on the purchase of lumber products has also been abolished. All this has tremendously aroused the enthusiasm of the people for production in the mountain regions. Like the rest of the province, the old revolutionary base areas in the Dabie Shan in western Anhui are also undergoing an historical change. Forestry production has been revived; agricultural, fishery, animal husbandry, industrial, and sideline production is rapidly developing; the peasants' per capita income has increased 230 percent; and the commodity economy is thriving.

However, the economic development of western Anhui's mountain regions has still failed to keep pace with the rest of the province. The rural production structure in these areas is still not as good as it should be and a portion of the people there are still living in poverty. The factors causing poverty and backwardness in these areas are many.

First, the influence of "left" ideas is still serious in these regions.

Second, there is a general lack of cooperation among the various localities.

Third, the education system there is backward and there is an acute shortage of professional people.

Fourth, our cadres have failed to meet the construction needs of the mountain regions in their thinking, their work styles, their enterprising spirit, and their professional knowledge.

Recently while Comrade Hu Yaobang was inspecting the remote mountain areas in Shanxi and Shaanxi, he emphatically pointed out that the mountain regions should persist in planting trees and grass, growing fruit and industrial crops, raising animals, and developing the processing industry. Comrade Hu Yaobang's guidelines are also applicable to Anhui.

First, it is necessary to persist in planting trees and forests to green the barren hills and mountainsides. This is an important measure to change the landscape of our country. We must regard forestation as an important task to be continued generation after generation. We must make forestry a mainstay of the economy in the mountainous areas.

Second, it is necessary to promote a diversified economy and vigorously develop animal husbandry.

Third, it is necessary to vigorously develop village and town enterprises. In restructuring the production layout in the impoverished mountain regions, it is necessary to regard developing village and town enterprises as a major task.

Fourth, it is necessary to persist in opening to the outside world and developing lateral economic relations. To turn the mountain regions' rich natural resources into material wealth, it is necessary to establish extensive lateral economic contacts with the more economically developed localities via various channels and make outside capital and technology serve the needs of the mountain regions. At the same time, it is also necessary to exploit outside markets to market local products.

It is necessary to encourage the peasants to engage in trucking, shipping and other transport businesses, thereby developing transportation in the mountain regions. It is necessary to encourage the peasants to set up motor transport cooperatives.

It is necessary to regard developing commerce and promoting commodity circulation as important tasks and permit the peasants, urban residents, individuals, or combined households to engage in commercial transportation, sales, trade centers, and other tertiary industrial activities.

Attention should be paid to promoting education in the mountain regions, increasing education funds, and raising the scientific and cultural level of the masses in the mountain regions through various means.

It is necessary to beef up the leading bodies at all levels in the mountain regions. During party rectification, it is necessary to conduct a general education campaign in communist ideas and discipline, oppose bureaucracy, and be concerned about the wealth and woe of the people.

It is necessary to raise the cadres' political and cultural quality and carry out necessary readjustments to basic level leading bodies that have failed to meet the requirements of the four modernizations.

#### JIANGSU CIRCULAR ON CURBING MEDICAL SUPPLY SCANDAL

OW111818 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 9 Aug 85

[Text] The provincial Discipline Inspection Commission recently issued a circular calling for resolutely curbing the unhealthy trend of presenting money and merchandise as a pharmaceuticals sales promotion.

Citing an investigative report submitted by the discipline inspector of the Wuxi City Pharmaceutical Administration, the circular said: Among the contracts signed in the 5 months ending 28 February this year between Wuxi's second-echelon medical clinics and medicine suppliers, 92 contracts were suspected of being negotiated by using money and merchandise to attract pharmaceutical buyers. The money spent for this purpose totaled more than 75,800 yuan. Forty-two other contracts were negotiated by the suppliers presenting bedsheets, T-shirts, towels, and other commodities to the pharmaceutical buyers. From March to mid-May of this year, with money spent totaling over 21,300 yuan, 57 contracts were found to have used money and merchandise to boost pharmaceutical sales and 33 of them were suspected of presenting so-called award money to buyers.



Most of the medicine suppliers resorting to this practice were village and town enterprises and some were state enterprises in urban centers. Among the 27 contracts signed between the Taixing County pharmaceutical plant's (Kouyan) branch and Wuxi City's (Zhongchen) pharmaceutical wholesale store, 17 had provisions stipulating the presentation of award money to successful sales promoters and the remaining 10 called for presenting gifts to buyers from suppliers. Some pharmaceutical producers only cared about making money and other gains and resorted to using money and commodities to promote sales of their products. They even put fake drugs and pharmaceuticals of poor quality on sale. This has corrupted party members, cadres, and workers on the medical and health front; degraded our party's style and social standards; and greatly harmed the country and the people. This practice is a typical erroneous act of forgetting one's integrity under the temptation of personal gains.

The circular urged party committees, discipline inspection commissions, and government departments concerned at all levels to take immediate and effective measures to resolutely curb this unhealthy trend.

NEW SHANGHAI MAYOR JIANG ZEMIN INTERVIEWED

OW090345 Shanghai City Service in Mandarin 0100 GMT 29 Jul 85

[Report on interview with Jiang Zemin, newly elected mayor of Shanghai Municipality -- passages within quotation marks recorded]

[Text] At the end of the Fourth Session of the Eighth Shanghai Municipal People's Congress, Comrade Jiang Zemin, who had just been elected Mayor of Shanghai Municipality, granted an interview to reporters. When Comrade Jiang Zemin entered the lobby, the reporters applauded and congratulated him on his election. Smilingly, Mayor Jiang said: "First I wish to extend my appreciation to the deputies of the People's Congress for their trust in me and for electing me as mayor of Shanghai Municipality. When the central authorities appointed Comrade Xingwen and me to work in such a big city as Shanghai, we both had the feeling that our tasks were going to be arduous and our responsibilities heavy."

In talking about his work over the past 1 and 1/2 months since his arrival in Shanghai, Comrade Jiang Zemin said: "After my arrival here, Comrade Xingwen and I spent some time investigating and studying. Over the past 1 and 1/2 months, we have not stopped learning about the situation in the various sectors of Shanghai. Although we understand that our responsibilities are heavy and our tasks arduous, we are happy that the former leading comrades of the municipal government and the party committee have laid a very good foundation for work. Particularly noteworthy is the fact that last year they invited many experts, scholars, and cadres to prepare minutes of a meeting on the strategy for Shanghai's economic development. At the end of last December, Comrade Ziyang arrived in Shanghai and heard a report about the meeting. He endorsed a number of measures concerning Shanghai's economic development. On 8 February this year, the State Council approved the minutes of the meeting in its Document No 17 of 1985. After our arrival in Shanghai, the central authorities decided that Comrade Guodong and Daoshan and other veteran comrades should continue to work in Shanghai. I believe that their continued work in Shanghai will be of great benefit to the consolidation and development of Shanghai's excellent situation."

In talking about Shanghai's present and future tasks, Mayor Jiang said: "There are many objective requirements facing us. On the one hand we must renovate Shanghai's traditional industries, while on the other hand we must also develop new industries."



"At the same time, we must also gradually improve the people's livelihood. On the one hand we must promote economic cooperation with inland provinces and municipalities, while on the other hand we must increase foreign trade, introduce foreign technology, and expand exports. At the same time, we must also build many basic facilities, which is in itself an arduous job. On the one hand we must engage in socialist material construction, while on the other hand we must also promote spiritual construction. Faced with so many tasks, we must pool both state and local financial and material resources in order to fulfill these tasks step by step in a well-organized manner. Shanghai has an abundance of talented people. There are many veteran comrades well-experienced in socialist construction as well as many talented young people. If we, including myself are humble enough to seek advice, consult with, and learn from these comrades; if we exert concerted efforts with one heart and one mind in response to the central authorities' call for "less empty talk, more concrete deeds"; and if we fulfill our tasks and solve problems one after another, I am confident that we can fulfill Shanghai's work well. My own individual strength is insignificant, but we can rely on collective wisdom. Realizing this, I become fully confident. We are sure to overcome all obstacles blocking our way to progress. Although we cannot overlook Shanghai's many economic difficulties and our tasks are arduous, I am confident that we can fulfill our tasks well by relying on the joint efforts of all comrades and uniting and working with one heart and one mind."

ZHU SENLIN APPOINTED ACTING MAYOR OF GUANGZHOU

HK091033 Beijing ZHONGGUO XINWEN SHE in Chinese 1207 GMT 8 Aug 85

[Text] Guangzhou, 8 Aug (ZHONGGUO XINWEN SHE) -- The 14th meeting of the 8th Guangzhou City People's Congress Standing Committee decided to appoint Zhu Senlin to be acting mayor of Guangzhou City today.

Former Mayor Ye Xuanping has recently been transferred to a new post in the provincial government. [Beijing XINHUA in English at 1559 GMT on 8 August in a similar item reports Ye Xuanping's new position as "vice-secretary of the Guangdong Provincial Communist Party Committee."] The current city People's Congress Standing Committee meeting approved his resignation from the office of mayor.

Zhu Senlin, 54, was born in Chuansha County, Shanghai, and graduated from Qinghua University. He was transferred to work in Guangzhou in 1952 and has held leading posts at county, district, and city levels. He is now deputy secretary of the Guangzhou City CPC Committee.

The Guangzhou City People's Congress Standing Committee meeting concluded this morning. The meeting, which lasted 2 and 1/2 days, dealt with six subjects concerning education, prices, and personnel appointments and removals. The meeting also elected Wang Zongchun to be deputy to the Sixth Guangdong Provincial People's Congress.

Zhu Interviewed

HK091935 Beijing ZHONGGUO XINWEN SHE in Chinese 1353 GMT 8 Aug 85

[Report by Xie Jianxu: "An Interview With Zhu Senlin, Acting Mayor of Guangzhou City" -- ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 8 Aug (ZHONGGUO XINWEN SHE) -- "A mayor should be a general steward for the people of his city. I will do my best to be a good steward." Zhu Senlin, the newly appointed acting mayor of Guangzhou City, expressed his wishes when being interviewed by this reporter.

Zhu Senlin, a 54-year-old man in spectacles, has an amiable and candid manner and speaks good Cantonese, but he is not a native of Guangdong. He was born in Chuansha County, Shanghai. After graduating from primary school, he entered the "China vocational school" run by Mr Huang Yanpei and majored in mechanics. When he was 18, he simultaneously received admission notices from Qinghua University, Zhongshan University, and Jinan University. Finally, he decided to join the sociology department taught by Fei Xiaotong at Qinghua University. He went to Guangzhou in 1952 and began to work in government offices at the county, district, and city levels. Now he has worked in Guangzhou for more than 30 years and has become an "old resident" of Guangzhou.

Before he was appointed to be acting mayor, Zhu Senlin was deputy secretary of the Guangzhou City CPC Committee. Last year, he was appointed to be director of the management committee of the Guangzhou economic development zone. Under his leadership, the development zone has been built from a stretch of banana gardens and sugarcane fields. In this zone, rows of standard plants have been completed and various production lines have been put into operation. In the past 6 months, the development zone has signed nearly 70 joint venture and cooperation contracts with foreign companies and has enacted 7 sets of economic regulations. The responsible person of the State Council's Office in Charge of Special Economic Zones evaluated the Guangzhou economic development zones as: "Development orientation is correct and clear, work is steady and down-to-earth."

On his desk, the reporter discovered that Zhu Senlin had many economics books, such as "Opportunities and Challenges," "Modern Economics," "Economic Studies of Real Estate," and so on. Zhu Senlin likes reading books. He also practices Gongfu to keep fit.

When he was deputy secretary of the city party committee, he was in charge of Overseas Chinese affairs, education, and cultural work. In that period, he had opportunities to make friends extensively with many people in the democratic parties. He often talked with them, listened to their opinions, and took care of their living and working conditions. Once, when Zhu Senlin found that a house of the descendants of Zou Lu, a KMT founding member, had not been returned to the owner, he immediately gave an instruction to the department concerned and ordered them to investigate and settle this case. Because he is an amiable and reasonable man, many returned Overseas Chinese, relatives of Overseas Chinese, intellectuals, democratic party members, and new and old cadres like to have heart-to-heart talks with him and tell him many facts. A few days before, when the Guangzhou City CPC Committee invited some democratic party members and nonparty people to discuss the appointment of a new mayor, they unanimously recommended Zhu Senlin as a candidate for that post.

At the interview, this reporter asked Zhu Senlin: "After taking office, what plans do you have for social and economic development in Guangzhou?" Zhu Senlin said: Guangzhou is one of the 14 open coastal cities and has developed rather rapidly in recent years. The volume of commodity circulation ranks first in the country, and the state of financial revenues is good. Revenues of this city in the first half of this year increased by 29 percent over the same period of last year. So far, the city has signed contracts with foreign countries worth more than 1.8 billion yuan and has employed more than 500 million yuan of foreign funds. However, there are many things that have yet to be improved. He enumerated a number of affairs that the city government will handle in the coming months:

Reorganizing nearly 100 companies that are still performing administrative functions in the city so as to further streamline the administrative structure;

Developing more high-class commercial undertakings, building new shopping centers on Beijing Road, Henan District, and near the railway station;

Issuing stocks to raise funds;

Preparing the construction of a large-scale cement plant and gas plant;

Completing the planning work for the construction in the city's 80 subdistricts and for the construction of overpasses on Erhuan Road, Dabei Road, and Xiaobei Road and for the building of the fourth bridge across Zhu Jiang;

Installing 14,000 new telephones in the city;

Installing gas supply facilities for some 10,000 households after the completion of the gas plant;

Increasing appropriations for education, housing, planting more trees in the urban areas, and building more playgrounds and parks.

Zhu Senlin said that he will work in a down-to-earth manner and bravely pioneer a new cause and will try to make Guangzhou's work develop ahead of other areas of the country.

TWO HAINAN CADRES PUNISHED FOR UNLAWFUL PRACTICES

HK090941 Haikou Hainan Island Service in Mandarin 0400 GMT 8 Aug 85

[Text] Comrades (Guan Xin) and (Zeng Shan) were guilty of unlawful practices and after the discussion and decision by the Hainan Regional CPC Committee Standing Committee, Comrade (Guan Xin) was punished by discharging him from the post of interim secretary of the HAINAN RIBAO CPC Committee and according to the administrative rules, was reduced from bureau head to deputy bureau head. He was transferred from HAINAN RIBAO and will be assigned other work. Comrade (Guan Xin) was also instructed to be responsible for recovering money owed by a Hong Kong businessman.

Comrade (Zeng Shan) was given a serious party disciplinary warning. In the course of importing and illegally selling motor vehicles through the Hainan Press and Culture Apparatus and Service Company Comrade (Zeng Shan), member of the Editorial Committee of HAINAN RIBAO and concurrently general manager of the company, illegally paid Rmb149,100 to a Hong Kong businessman and failed to recover 95,900 yuan owed by another Hong Kong businessman between June 1984 and February 1985, on the instructions of Comrade (Guan Xin), interim secretary of the HAINAN RIBAO CPC Committee, chief editor, and concurrently chairman of the board of directors of the company. This took place after the investigation and verification by the joint investigation group of the Central Discipline Inspection Commission and the Hainan Regional CPC Committee. These two items amounted to 245,000 yuan and included the money obtained from selling a renovated Toyota 12-seater and a renovated Mercedes-Benz sedan. Around the 1985 Spring Festival, Comrade (Zeng Shan) suggested that the 6,630 yuan commission that was received by (Zeng Shan) and others from the illegal sale of the motor vehicles, should be privately shared among them in the form of issuing red packets. With the consent of Comrade (Guan Xin), Comrade (Zeng Shan) did this. (Guan) got 1,000 yuan and (Zeng) got 700 yuan.

In collusion with Hong Kong businessmen, that company secretly carried smuggled goods and motor vehicle accessories, whose total value was some HK\$112,000. After Comrade (Zeng Shan) told Comrade (Guan Xin), (Guan) agreed to accept them. On 19 June 1985, Haikou customs confiscated this batch of smuggled goods.

With the consent of (Guan Xin), HAINAN RIBAO violated regulations and indiscriminately issued money and goods. In 1984, it issued bonuses of some 239,642 yuan. Each person received an average of 804 yuan. On 28 December 1984, the State Council issued a circular on resolutely prohibiting institutions from indiscriminately issuing bonuses and subsidies and from unlawfully effecting payment in kind. The order was not carried out and what was prohibited was not curbed. In January and February 1985, the newspaper again issued bonuses and effected payment in kind, totaling 203,968 yuan and each person received an average of 787 yuan.

The above-mentioned cases were all unlawful practices. Comrade (Guan Xin) is principally responsible for some of them and is responsible for some of them in the aspect of leadership. Except for indiscriminately issuing money and goods, Comrade (Zeng Shan) is directly responsible for them. Moreover, when the central investigation group was investigating and dealing with the serious cases of Hainan illegally importing and selling a large number of motor vehicles and other materials, Comrade (Guan Xin's) attitude was not correct and he did not understand the seriousness of his mistakes. Comrade (Zeng Shan) understood his mistakes and intended to mend his ways.

In addition, HAINAN RIBAO today carried an article by its editorial department, expressing that they will resolutely implement the decision of the regional CPC Committee, will draw a lesson, will unify thinking and understanding, will enhance their conscientiousness for implementing the party's principles and policies, and will act well as the mouthpiece of the party.

GUANGDONG'S EARLY RICE OUTPUT DOWN FROM 1984

HK081214 Beijing ZHONGGUO XINWEN SHE in Chinese 0303 GMT 6 Aug 85

[Text] Guangzhou, 6 Aug (ZHONGGUO XINWEN SHE) -- According to the information provided by the Guangdong Provincial Agricultural Department, the per unit output of early rice rose this year in 65 of the 98 counties in the province and the per mu output for the whole province rose by over 20 jin, but the total output of early rice will be 1.6 billion jin less than that of last year.

In readjusting the layout of its agricultural production this year, Guangdong Province reduced the area for early rice by 1.8 million mu, the greatest reduction in the past few years. At the same time, in light of consumer demand, the peasants in various areas grew less high-yield hybrid rice and more fine quality rice. In addition, this year's typhoon No 4 hit 23 counties in Huiyang, Shantou, and other prefectures and cut the early rice output of these counties by about 500 million jin while national disasters have also caused fairly great losses to the early rice production on Hainan Island.

The persons concerned hold that in spite of the reduction in early rice output this year, there is no need to worry about the grain supply. Since last winter, the grain price has been stable in the market in Guangdong. Moreover, as our peasants' food composition changes, the consumption of grain also tends to drop. In order to readjust its agricultural layout, it is necessary for Guangdong Province to reduce the area for grain production. This year, it has expanded the area for sugarcane, fruit, jute, bluish dogbane, and tobacco and the area for fish farming and thus obtained bumper harvests of some special local products. This has played a satisfactory role in enlivening Guangdong's rural economy.

At present, the various rural areas in Guangdong have begun to transplant late rice. It is said that there will be a further reduction of the area for late rice by 2.4 million mu in order to give further play to Guangdong's geological advantage of being located in the tropical and subtropical zones and develop industrial crops. However, as it is expected that there will be early cold winds and frequent typhoons in the latter half of this year, we cannot be optimistic about the situation of Guangdong's late rice production.

Late Rice Crop Threatened

HK100349 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 9 Aug 85

[Text] According to NANFANG RIBAO, drought has appeared in the province this summer, and the late rice crop is seriously threatened. On 7 August, the provincial Agricultural Commission issued an urgent circular to all city and prefectural agricultural commissions on fighting drought and crash-transplanting late rice seedlings, demanding that the province swiftly mobilize and grasp this work and strive to complete transplanting on time, to ensure a bumper harvest in the late crop.

Since late June, rainfall has declined throughout the province. In addition temperatures have been high and the sunlight strong. Drought has emerged in varying degrees.



Some 5 million mu of paddy fields are now affected, over 20 percent of the late rice area. Only half the crop had been transplanted by 7 August. According to the weather forecast, the drought will not ease in most parts of the province before mid-August.

In its urgent circular, the provincial Agricultural Commission demands that the province strengthen leadership over fighting drought and crash-transplanting the late rice and organize the masses to launch shock attacks. The departments concerned must give priority to ensuring supplies of antidrought materials such as electricity and fuel, and promptly solve problems of capital needed for fighting drought.

#### HENAN LEADERS ATTEND ECONOMIC REFORM FORUM

HK100806 Zhengzhou Henan Provincial Service in Mandarin 1230 GMT 8 Aug 85

[Excerpts] A 4-day provincial forum on reform of the economic structure concluded in Zhengzhou yesterday. Yang Xizong, secretary of the provincial CPC Committee; Governor He Zhukang; and Vice Governors Zhang Zhigang, Qin Kcai, and (Hu Zhiyun) attended the forum.

In their speeches, Comrades Yang Xizong and He Zhukang demanded: All places must speed up reform of the economic structure in order to promote the penetrating development of reform.

The main topic for discussion at this forum was to study and discuss the problems of how organs at all levels can further streamline administration and delegate power, how small state commercial enterprises can be opened up and enlivened, how administrative companies can be straightened out and consolidated, how a pilot project for raising economic results and reforming wage systems can be launched, and how Kaifeng and Anyang Cities have launched a pilot project to unify the market price of rolled steel.

Over the past few days, the comrades present at the forum conducted lively and serious discussions on these five problems and put forward many good views and suggestions. Leading comrades including Yang Xizong, He Zhukang, Qin Kcai, and (Hu Zhiyun) attended the forum, listened to views, and conducted discussions with the participants.

At yesterday morning's forum, Comrade Yang Xizong spoke, saying: This forum is a success. Reform of the economic structure has been constantly carried out. It is very necessary for the comrades in the prefectures and departments to discuss and solve some problems. The central point of reform of the economic structure is to enliven enterprises. [Passage indistinct]

In dealing with how to enliven the system of circulation, Comrade Yang Xizong said: Production, distribution, exchange, and consumption make a whole. In the past, circulation was disregarded. At present, this problem has not seriously been solved. All places have set up many trade centers. [Passage indistinct] The Anyang industrial trade center has been run very well. It has not only broken with the old commodity wholesale system, but has done well in the business and services aspect. It has handled very well the relationship between industry and commerce, the relationship between purchases and sales, and the relationship between supply and demand.

Comrade Yang Xizong also talked about the problems of how to enliven the supply of materials, communications, transport, the technology market, and the exchange of qualified personnel. [Passage indistinct]

In his speech, Governor He Zhukang laid stress on strengthening leadership over the reform of the economic structure.

[Passage indistinct] He demanded: Leading cadres at all levels must repeatedly and seriously study the decision of the CPC Central Committee on reform of the economic structure, must understand that reform is the current central task of the whole party, and must enhance their conscientiousness in reform.

Comrade He Zhukang said: At this forum, comrades have introduced their own experiences and put forward many problems. After the forum, the provincial government will study and solve these problems one by one in accordance with your views.

Governor He Zhukang also put forward specific demands on strengthening the vitality of enterprises, enlivening circulation, doing well in serving trades and in opening up the outside world, promoting economic combines, developing the tertiary industry, and strengthening macroscopic control and publicity and reporting of reform.

#### HENAN CRACKS DOWN ON MAKING, SELLING FAKE GOODS

OWO91215 Beijing XINHUA Domestic Service in Chinese 0116 GMT 8 Aug 85

[By reporters Zhao Derun and Jie Guoji]

[Text] Zhengzhou, 8 Aug (XINHUA) -- The Henan Provincial CPC Committee and provincial people's government have seriously investigated illegal activities of manufacturing and selling fake and counterfeit commodities and punished the offenders.

Fake bee honey, adulterated sheep wool, bogus aluminum ingots, and counterfeit and poor-quality medicines began to appear in Henan 2 years ago. According to available statistics, the total value of these and other fake and counterfeit commodities manufactured in Henan or shipped to this province amounted to more than 10 million yuan. Leading comrades of the Henan Provincial CPC Committee and provincial people's government have paid great attention to this serious problem. The main cause of the problem, they pointed out, is the loopholes in the management system and some cadres' bureaucratic ways of doing things and their taking advantage of the loopholes to benefit themselves. A decision was made jointly by the provincial CPC Committee and the provincial people's government to launch a sweeping crackdown on the manufacture and marketing of fake and counterfeit commodities.

A preliminary investigation conducted from late June to the end of July has provided essential information about categories, quantities, sources, and the distribution of various kinds of fake and counterfeit commodities in the province. To resolutely deal a blow to the manufacturers and sales agents, the provincial people's government has issued a circular on lawful procedures to be followed in prosecuting those units and individuals who commit such serious offenses and to sternly deal with leading cadres and law enforcement personnel who take part, support, and protect the manufacture and marketing of fake and counterfeit commodities or instigate others to produce and sell such commodities.

Leading comrades of the provincial CPC Committee and provincial people's government personally took part in investigations of a number of major cases of this nature. Recently, more than 700 kinds of fake and poor-quality medicines worth some 4.8 million yuan were found in 17 prefectures and cities in the province. An urgent conference was called by leading comrades of the provincial CPC Committee and provincial people's government to discuss measures and specific policies for handling this big case. A province-wide telephone meeting held on the same evening called on the various localities to immediately confiscate those medicines, report them to the next higher authorities, destroy those that are harmful to health, sternly deal with the chief manufacturers and bad elements involved in the case, and punish them according to party disciplinary rules and state laws.

TIANJIN'S NI ZHIFU ON TECHNOLOGICAL TRAINING

SK101205 Tianjin TIANJIN RIBAO in Chinese 15 Jul 85 p 1

[Text] "Tianjin should strengthen the training of technical talent, technological talent in particular. Local-run higher learning institutions should try to create their own unique features proceeding from their respective realities and should pay attention to improving the quality of their teaching." This was demanded by Ni Zhifu, secretary of the municipal CPC Committee, while conducting an investigation and study at the Tianjin Scientific and Engineering College.

Recently, Comrade Ni Zhifu went to the Tianjin Scientific and Engineering College to conduct an investigation, listen to the report made by a responsible person of the college, and visit its computer and audio-visual teaching center, library, and classrooms. He also expressed some important opinions on the guiding ideology for running the college.

Ni Zhifu pointed out: We should pay attention to training technological and technical talents and combine technological designing with manufacturing. This was raised in the 1950's, but as of yet, some departments have not paid enough attention to it. For a long period of time there has been an abnormal tendency in which universities and colleges have one-sidedly emphasized designing to the neglect of technology, and plants and enterprises have paid attention to maintaining production to the neglect of technical progress. As a result, in the sphere of production, the number of middle- and low-grade industrial and technical personnel has been insufficient, with high-grade technological and technical specialists even fewer. This not only restricts the renovation of the traditional industry, but also hampers the development of the burgeoning industries and the exploitation of new technologies. Our higher education and scientific research should be geared to economic construction, and training high-grade technological and technical talents is a task not to be ignored.

It is right to stress scientific research findings. But, success in scientific research projects does not mean the availability in production of commodities nor immediate productive force. From the trial production of a product to stabilized production, there is a preparatory process for perfecting the production technology and technique. The work of Tianjin in this regard is very backward. If our technological and technical levels are low, our products will be substandard, even though we have rationally designed blueprint. We have not paid enough attention to the research of technologies. For instance, we have not conducted enough research on the clamping, cutting, and measuring apparatus, models, and supplementary instruments; we have failed to attach importance to the research of specialized equipment with high quality and efficiency; and we have failed to effectively digest and absorb imported technologies and equipment. We should strengthen the special courses on technology and technological equipment among universities and colleges, strengthen the education of secondary specialized schools and vocational schools, and vigorously train the high-, middle-, and low-grade technological and technical talents accordingly. Engineering colleges should realistically run the special courses on technology and technological equipment well. Consideration should be given to recruiting through examination a number of workers from plants, who have graduated from senior middle schools or secondary specialized schools and who have practical experiences, for further training, and then to sending them back to the plants where they worked originally.

Speaking on the establishment of specialities, Ni Zhifu stressed that the municipal-run higher learning institutions should share the work of training with the higher learning institutions run by the ministries whose enrollment is countrywide, on the basis of investigation and study and proceeding from the realities of Tianjin.

He said: Tianjin's basic industries are relatively backward, and its mechanical, optical, and electrical industries are still a weak link. From the standpoint of production, Tianjin has favorable conditions for developing light and foodstuff industries, but from the standpoint of talented people, it has no favorable conditions. Without talented people, how can we say that we have favorable conditions? Only when we expand our superiority in producing light and textile industrial products and food products to superiority in manufacturing the machines for producing the light and textile industrial products and food products and to superiority in providing technical talents can we say that we have real superiority. Scientific and engineering colleges should conduct some investigations and discuss the current situation with planning and economic commissions and some industrial bureaus. In establishing specialties, priority should be given to those needed by society. It is unnecessary to establish all-inclusive specialties. Only by so doing can we have a definite object in training talented people.

Ni Zhifu also pointed out: In doing work, we should be honest and give primary importance to quality. All schools should pay attention to the quality of their teaching. This is an important guiding ideology for running a school. In developing the educational undertaking, we should pursue quantity on the basis of ensuring quality. Otherwise, both the schools and the society will take on a burden.

Ni Zhifu also said: We should strengthen the contacts and cooperation between different schools and between the schools and plants and research institutes. In terms of experiments, equipment, and teachers, schools may draw support from the society to raise the level of efficiency in training talented people. The departmental ownership of equipment and talented people should be done away with. The practices and scientific research programs of a school should be geared to social needs. Students may do practice work at plants and may invite qualified engineers to serve as teachers concurrently.

Ni Zhifu also called on CPC committees and administrative departments at all levels to attach importance to the educational work and actively support the reform of the educational structure and the development of the educational undertaking. He said: Leading organs should serve the grass-roots units mainly by formulating macroscopic policies and decisions, working out plans, studying policies, and helping them develop in a coordinated manner. Leading organs should also strive to handle those affairs that plants, enterprises, schools cannot handle. This is a real way of serving the grass-roots units, and only by so doing can they be worthy of the name of leading organs.



LI ZIQI SPEAKS AT GANSU DEVELOPMENT MEETING

HK110257 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 10 Aug 85

[Excerpts] The provincial CPC Committee and government held a report meeting on 10 August on invigorating the province's economy and speeding up development and enrichment. The principal leading comrades of the provincial CPC Committee and government said: Gansu's economy has now entered a new stage of development and enrichment. We have now reached the time for eliminating poverty and integrating elimination of poverty with promotion of enrichment.

At the meeting, provincial CPC Committee Secretary Li Ziqi and Vice Governor Hou Zongbin summed up and reported on four basic ways for enriching the masses and invigorating the economy and four main measures for this work, incorporating the experiences of various places. They also gave specific views on how the leading organs can suit the new situation in development and enrichment and serve the effort to enrich the masses.

Li Ziqi and Hou Zongbin stressed: Gansu has now made a good start in all respects. We are launched on the road of development and enrichment. The focal point of our work in future is to implement the measures, produce results, and do a number of things in a thoroughly sound way, to ensure that the province can speed up its pace in economic development and in enriching the masses.

Liu Bing, deputy secretary of the provincial CPC Committee, presided at the meeting. Huang Luobin, Li Dengying, Chen Guangyi, Huang Bingxiang, Jia Zhijie, Wang Zhanchang, and responsible persons of the provincial organs and of factories, mines, enterprises, scientific research units, and institutes of higher education attended.

QINGHAI'S NEW LEADERSHIP ASSUMES OFFICE

HK100332 Xining Qinghai Provincial Service in Mandarin 2330 GMT 8 Aug 85

[Text] Yesterday morning the provincial people's government held its fourth plenary meeting at the Xining Guesthouse. New and old provincial governors and vice governors met to transfer duties. Provincial Vice Governor Ga Buni presided over the meeting.

Former provincial Governor Huang Jingbo delivered a speech at the meeting. He said: The new leading group of the provincial government is composed of various talented people from cadres of various nationalities who are relatively young, have a relatively high education level, and who have abundant professional knowledge. This leading group, a combination of new and old members, is full of vitality.

Comrade Huang Jingbo said: I will soon leave my beloved Qinghai. Wherever I go and whatever I do, I will concern myself with the development and construction of Qinghai, continue to serve the people of various nationalities in Qinghai, and be their public servant. Li Bai, a famous poet in the Tang Dynasty, once said: When spring attracts me with its beautiful scene, I can write many articles. I firmly believe that the people in Qinghai, who already have a beautiful spring scene, will certainly write many outstanding articles. I sincerely hope that all members of the provincial government and all comrades here will properly do their own work, fully support the work of the new governor and the new leading group, be of one heart and one mind, make concerted efforts, strengthen unity, unite with new and old members, rouse themselves for vigorous efforts to make the country prosperous, and lead the 4 million honest, brave, and diligent people of various nationalities in Qinghai to win greater victories on their march forward.



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Provincial Governor Song Ruixiang also delivered a speech in which he stressed the following four suggestions:

1. We must take into account the overall situation; resolutely implement the party's line, principles, and policies; bear in mind the party's general tasks and targets at the present stage; cherish ideals; observe discipline; pay attention to the overall situation; put unity above all; closely cooperate with others; understand and accommodate each other; give full cooperation to each other; oppose bickering or shifting one's responsibilities to others; and advocate being bold in assuming one's authority.
2. We must cater to the needs of the masses, think about the interests of the people in everything; and be good public servants of the people and society. Leading cadres must take the lead in going among the masses to listen to opinions, requests, and voices of all parts; proceed from reality; and seriously serve the masses.
3. We must pay less lip service, do more practical work, pay attention to effects, refrain from doing things just for show, refrain from doing superficial work, link ourselves with practice, do in-depth and meticulous work, and genuinely achieve success in all work.
4. We must seek no personal interests, work selflessly in the public interest, and strengthen party spirit in strict accordance with the requirements of the provincial CPC Committee on the basis of carrying out party rectification. We must be honest and upright in our ways, be strict with everything, unite with people from all corners, refrain from forming small groups and cliques, and act healthily.

One half of the new leading group of the provincial government, Comrade Song Ruixiang, said that under the leadership of the CPC Central Committee, the State Council, and the provincial CPC Committee, they will resolutely implement the party's line, principles, and policies, unite with people of various nationalities in the province to work hard and march forward, and fight for invigorating Qinghai's economy and the wealth and happiness of the people of various nationalities in Qinghai.

Yin Kesheng, secretary of the provincial CPC Committee, delivered a speech at the meeting. He highly valued the outstanding achievements and contributions made by former provincial Governor Huang Jingbo and by vice governors for the people of various nationalities in Qinghai during their tenure of office. He expressed the hope that the members of the new leading group of the provincial government will carry forward the fine style and fighting spirit of old comrades, learn valuable experiences from them, unite as one, and work effectively to achieve better results in various work in Qinghai.

After the meeting, the new and old provincial governors and vice governors and the participating responsible comrades of provincial departments, bureaus, commissions, and offices had a group photo taken to mark the occasion.

#### YIN KESHENG ATTENDS QINGHAI S&T WORK CONFERENCE

HK090351 Xining Qinghai Provincial Service in Mandarin 2330 GMT 7 Aug 85

[Excerpts] The provincial science and technology work conference opened in the provincial people's auditorium yesterday morning.

The conference will convey the spirit of the national science and technology work conference, study the decision of the CPC Central Committee on reform of the science and technology system, discuss and revise proposals put forth by the provincial on implementing the decision of the CPC Central Committee, and arrange the work of reforming the province's science and technology system.

At the conference Yin Kesheng, secretary fo the provincial CPC Committee, delivered a speech entitled: Enhance Our Revolutionary Vigor, Make Concerted Efforts, and Resolutely Reform in a Planned Way the Science and Technology System.

Comrade Yin Kesheng pointed out that an important task for CPC committees and governments at all levels at present is to organize the vast number of scientific and technological personnel to widely and thoroughly study and implement the decision of the CPC Central Committee on reform of the science and technology system, further deepen their understanding of the importance, necessity, and urgency of reform of the science and technology system.

At the conference (Yin Yuzhang), president of the provincial Science and Technology Association, gave explanations on the draft suggestion on implementing the decision of the CPC Central Committee on reform of the science and technology system in the province.

Attending the conference were Song Ruixiang and Liu Feng, deputy secretaries of the provincial CPC Committee; Meng Yishan, Han Yinxuan, Chen Yunfeng, (Tan Zhengren), and (Lu Shengzhao), Standing Committee members of the provincial CPC Committee; Zhao Haifeng, director of the provincial Advisory Commission; Song Lin, chairman of the provincial People's Congress Standing Committee; Ga Buni, Han Fucai, Bainma Dandzin, (Ji Yaowu), and (Wu Chengshi), provincial vice governors; Shen Ling, chairman of the provincial CPPCC Committee; Fang Xin and Fu Shichun, vice chairmen of the provincial CPPCC Committee, Huang Jingbo, former provincial governor; Qiao Mingfu, head of the northwest inspection group of the Central Commission for Guiding Party Rectification; (Li Zichuan), responsible person of the central work group; and Zhang Guosheng, Standing Committee member of the National CPPCC Committee.

TAIWAN'S TRADE SURPLUS WITH U.S. ANALYZED

HK100734 Beijing ZHONGGUO XINWEN SHE in Chinese 0249 GMT 8 Aug 85

["Roundup" by Li Jiaquan: "Why Is It That Taiwan Has Gained Such a Big Surplus in Trade With the United States?"]

[Text] Beijing, 8 Aug (ZHONGGUO XINWEN SHE) -- The most notable problem in current U.S.-Taiwan economic relations is the favorable balance of trade Taiwan has with the United States, or the unfavorable balance of trade the United States has with Taiwan. In the 9 years from 1976 to 1984, Taiwan gained a total surplus of \$34 billion in trade with the United States, an average of \$3.77 billion annually, or 150 percent of Taiwan's annual total trade surplus over the corresponding period. Taiwan's trade surplus with the United States has grown bigger. It was only \$1.24 billion in 1976, but increased to \$9.82 billion in 1984, an increase of almost 700 percent in 9 years. From January to June this year, Taiwan's total trade surplus was only \$4.8 billion, but its trade surplus with the United States reached \$4.7 billion.

People cannot help asking: Why has Taiwan gained such a big surplus in trade with the United States? There are four main reasons:

First, the steady strength of the U.S. dollar and high U.S. interest rates have extensively increased people's abnormal demands for the U.S. dollar. The New Taiwan dollar, however, keeps a close watch on the U.S. dollar, floating incompletely in the wake of the U.S. dollar. This has made it even more difficult for Taiwan to increase its exports to Japan, Europe, and other regions.

Second, Taiwan's light, textile, and traditional industrial products have always been targeted to the U.S. market. For a certain period before this year, the U.S. economy staged a powerful recovery and market demands drastically increased. In the 2 years of 1983 and 1984, Taiwan registered an average growth rate of about 30 percent annually in its exports to the United States, the highest in the last 6 years. Taiwan's economic recovery in the past 2 years has mainly benefited from the growth of its exports to the United States. In the meantime, however, the investment mood in Taiwan's industrial and commercial circles has remained depressed for a long time. They are unwilling to expand reproduction and, at the same time, have comparatively reduced imports from the United States.

Third, the number of branch companies set up by Japanese firms in Taiwan has increased to more than 140 and that of representative offices has increased to more than 220. With Taiwan as a base they have stepped up their processing export activities with the United States as a target. With the increase of raw and semifinished materials as well as intermediate products imported to Taiwan without increasing exports to Japan, Taiwan's trade deficit with Japan has also constantly increased. Increased exports from Taiwan to the United States are due to a large extent to increased imports from Japan.

Fourth, the revenue of oil-exporting countries and regions has fallen due to falling oil prices. Other countries and regions in the Third World have also seen recessed economic circumstances in recent years as a result of the debt crisis and other factors. Their import demands from other countries and regions, including Taiwan, has also weakened.

The actual trade situation between the United States and Taiwan has not been fully reflected in the superficial trade gap. According to Mr Ku Chen-fu, a noted leader in Taiwan's industrial and commercial circles, the trade gap between the United States and Taiwan does not include the interest which Taiwan has paid the United States, transportation expenses, insurance premiums, and charges for technology transfer and other services, all of which should have been deducted, nor does it include Taiwan's payments for arms sales to the United States. If all these figures are deducted, the actual trade gap is much smaller.

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Taiwan has a favorable balance of trade. This is usually a good thing, for it indicates that Taiwan has gained a surplus in its foreign trade. However, as stated above, this favorable balance of trade has been brought about by some abnormal factors, and this carries with it a latent danger. For example, first, the favorable balance of trade has not come from expansion and development of production but from reduction of imported machines and other equipment as well as raw and semifinished materials, or reduction in the scale of reproduction. Second, the fact that a large amount of foreign exchange has not been used in production but has been deposited abroad shows that both the government and the industrial and commercial circles actually lack confidence in Taiwan's political and economic prospects. Third, the fact that Taiwan's foreign trade and favorable balance of trade are concentrated in the United States shows that Taiwan is relying more and more on the U.S. market. Any disturbance or trouble on the U.S. market will have a great impact on Taiwan's economy.

The Taiwan authorities and the industrial and commercial circles also have some other worries about the trade gap between the United States and Taiwan, especially the pressures from the United States to change its unfavorable balance of trade. According to a Taiwan newspaper, in a letter to David Kennedy, president of the U.S.-Taiwan Economic Association, at the end of last year, President Reagan "expressed his personal concern about the trade deficit between the United States and Taiwan" and "hoped that effective action would be taken quickly to reduce this figure." There are also people in both houses of the U.S. Congress who "straightforwardly called on Taiwan to remove its tariff and nontariff barriers." Taiwan naturally cannot turn a deaf ear to this. From 1978 to May of this year, Taiwan dispatched 10 "policy-oriented purchasing groups" to the United States to purchase commodities worth \$7.458 billion. It is reported that Taiwan will send two more groups this year and adopt some other corresponding measures.

#### SEMINAR ON TAIWAN'S FUTURE OPENS IN FUJIAN

OW080445 Beijing XINHUA Domestic Service in Chinese 1518 GMT 6 Aug 85

[By reporter Chen Rongsan]

[Text] Fuzhou, 6 Aug (XINHUA) -- The second academic seminar on "The Future of Taiwan," jointly sponsored by the Taiwan research institutes of the Chinese Academy of Social Sciences and Xiamen University and by Simon Fraser University of Canada, opened today in Xiamen City, Fujian. More than 30 scholars from North America, Japan, Australia, Hong Kong, and China attended the seminar.

Speaking at today's opening ceremony, Prof Wang Luolin, vice president of Xiamen University, welcomes the participating scholars. After that, scholars attending the seminar began reading theses and discussion. The seminar will last until 10 August.

PRC THREATENS RETALIATION IF JENKINS BILL PASSES

HK120311 Hong Kong HONG KONG STANDARD (BUSINESS STANDARD Supplement) in English  
12 Aug 85 p 1

[Text] Beijing (Aug 11) -- China will retaliate by cutting off trade in other areas if a U.S. bill to restrict textile imports becomes law, the leader of a congressional trade delegation said on Sunday. "They let us know in no uncertain terms...they would have to cut off other trade with us," Mr Sam Gibbons told a news conference after three days of talks in Beijing. At stake in the brewing dispute is more than U.S. \$6 billion in annual U.S.-China trade, six years after the two countries normalized relations.

Mr Gibbons, chairman of the trade sub-committee of the House Ways and Means Committee, said one solution his nine-member delegation proposed was diversification into other products. China's productive capacity and cheap labour should be tapped for other exports, rather than flooding the marketplace with low-cost fabric and apparel, he said. The delegation was split on the Jenkins Bill which would protect the U.S. industry by slashing textile imports. Mr Gibbons and Mr Bill Frenzel, a Minnesota Republican, said they opposed the measure. "There's a good chance it won't pass," said Mr Frenzel, noting that the Reagan administration opposes the protectionist bill.

Despite widespread House and Senate support, the Senate may not have the two-thirds majority necessary to override a presidential veto, Mr Frenzel said.

Firmly in favour of the bill was Mr Carroll Campbell, a Republican from Greenville, whose district is known as the textile capital of the world. "We were very frank and made no bones about the fact that we're going to do something," Mr Campbell said. He said the U.S. textile industry provides more jobs than steel or automobiles, but 13-14 percent of the nation's U.S. \$150 billion foreign trade deficit is due to imported textiles. "Each billion dollars accounts for 25,000 U.S. jobs," Mr Campbell said. "China is but a small part of the problem," he said, acknowledging that the bill probably would do more damage to Hong Kong, Taiwan and South Korea.

China has said the "textile and apparel trade enforcement act of 1985" would cost it more than U.S. \$500 million a year, one-sixth of its exports to the United States. Textiles comprise 35 percent of China's worldwide exports.

Mr Gibbons said the bill, due for action this autumn, would cut China's textile exports to the United States by 55-58 percent. The Chinese government "has very determinedly let us know in writing and in talk that this would be a very serious matter...and they would have to retaliate in some form," Mr Gibbons said. They did not say how they would retaliate, he added. "They're wise people and don't fire their shots before they have to." Mr Gibbons said China could "cut off our access to this country" but this was unlikely due to demand for high technology.

He reported "some progress" in talks with Vice Premier Tian Jiyun, Vice Minister Wei Yumin of Foreign Economic Relations and Trade, and members of China's National People's Congress, but declined to give details.

The delegation, which earlier visited Japan, left Beijing on Sunday for Calcutta and New Delhi.



PLA NAVY MOBILIZED TO MOVE CARS FROM HAINAN

HK100236 Hong Kong TA KUNG PAO in Chinese 10 Aug 85 p 1

[Special dispatch: "Navy Sends 39 Vessels To Rush-Ship Automobiles From Hainan to Zhanjiang"]

[Text] Beijing, 9 Aug (TA KUNG PAO) -- According to informed sources, this reporter today learned that the State Bureau of Materials and Equipment had entrusted the PLA Navy to send vessels and personnel to ship more than 45,000 automobiles from Hainan to Zhanjiang.

These cars were imported by Hainan Island for resale at a profit to other parts of the country and have now been sold by the state departments concerned according to unified plans.

After the incident of Hainan Island importing large numbers of cars for resale at a profit to other parts of the country was exposed, the State Bureau of Materials and Equipment immediately took resolute measures and decided to entrust the Navy to rush-ship all imported cars parked in the open in Hainan to Zhanjiang so that the departments concerned would be able to handle them in a planned way. Upon accepting the assignment, the Navy at once transferred 39 vessels and 791 responsible skilled drivers to join the rush task. These cars, of which there were more than 40 models, had to be loaded at 4 different ports and unloaded at 2 different ports, and had to be transferred 4 times on the way. Facing numerous difficulties such as loading and unloading, transshipping by land, different models, and large numbers of cars, the leadership at various levels of the Navy and the South China Sea Fleet took effective measures in organizational work and other areas such as transfer, ferrying, storage, and transshipping. During the 2 and 1/2 month-long rush work, the Navy dispatched warships and vessels 2,610 times, sailing 110,000 nautical miles. They finally shipped 45,644 cars from Hainan Island.

It has been learned that these cars have all been sold by the state departments of materials and equipment.

PRC, FRANCE POSTPONE SIGNING MAJOR ELECTRONICS DEAL

HK100552 Hong Kong HONG KONG STANDARD (BUSINESS STANDARD Supplement) in English  
10 Aug 85 p 1

[Text] Beijing (Aug 9) -- The signing of a major electronics contract between China and France was postponed at the last moment today because of what the French side called a small problem.

A scheduled news conference and a banquet in Maxim's Restaurant, the most expensive in Beijing, were abruptly cancelled.

A French company spokesman declined to give details.

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